



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

Daily Report

East Asia

**FBIS-EAS-93-158
Wednesday
18 August 1993**

Daily Report

East Asia

FBIS-EAS-93-158

CONTENTS

18 August 1993

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-ASIAN AFFAIRS

SPF First Regional Group Dialogue for Taiwan [AFP]	1
PRC Official: Jiang Not To Make Foreign Visits [Seoul HANGUK ILBO 11 Aug]	1

NORTHEAST ASIA

Japan

Hosokawa, Hata Planning U.S. Visits in Sep [KYODO]	2
Keidanren on More U.S. Taxing of Foreign Firms [KYODO]	2
MITI Welcomes U.S. Decision on Semiconductors [KYODO]	2
Chernomyrdin Denial of Dispute 'Regrettable' [KYODO]	3
Ministry: Cambodian Aid Talks Set for 8-9 Sep [KYODO]	3
Spokesman Welcomes Arrests in Peru Slayings [KYODO]	3
New Defense Chief Discusses Aspirations, Plans [Tokyo TV]	4
Yamashita Asked About Election Irregularities [KYODO]	5
Yamahana To Accept Responsibility for Reform [KYODO]	5
Hosokawa Calls Yen's Surge 'Speculative' [KYODO]	5
Mieno Holds News Conference on Yen's Rise [KYODO]	6
Official: No New Government Pump-Priming Policy [KYODO]	6

North Korea

Ministry Accuses South of Rumors on Team Spirit [Pyongyang Radio]	7
KCNA Quotes Statement	7
U.S., South Begin Ulchi Focus Lens Exercise [KCNA]	7
KCNA on U.S. Adoption of South Koreans	7
DPRK-Russia Friendship Society Has Film Show [KCNA]	8
Culture Ministry Fetes Chinese Art Troupe [KCNA]	8
Italian Socialist Movement Delegation Arrives [KCNA]	8
U.S. Minister, Italian Academician Arrive [KCNA]	8
Kim Yong-sun Meets Italian [KCNA]	8
Meeting Marks Congolese National Day [KCNA]	8
Newspaper Commemorates Congolese National Day [KCNA]	8
Workers Party, Swedish Party Issue Statement [KCNA]	9
Yi Chong-ok Receives Finnish Envoy's Credentials [KCNA]	9
KCNA on Reaction to Japanese Premier's Apology	9
Ugandan Premier Gives Impressions of Visit [KCNA]	10
Daily Calls Kim Yong-sam's Speech 'Mishmash' [KCNA]	10
Daily Says 'Bourgeois Democracy' Not 'Genuine' [KCNA]	10
Yun Ki-pok, Chang Chol Attend Athletic Meeting [Pyongyang Radio]	11
Yun Ki-pok Attends Science, Technology Festival [KCNA]	11
Daily Carries Article on Socialist Collectivism [KCNA]	11
Daily Urges 'Wartime' Spirit To Boost Socialism [KCNA]	12

South Korea

DPRK 'Likely' To Begin Dialogue With IAEA [Seoul Radio]	12
IAEA Reports Results of DPRK Nuclear Check [YONHAP]	13
U.S.-ROK 'Conflict' on Check [HANGYORE SINMUN 18 Aug]	13
ROK To Push Efforts To Resume DPRK Talks [YONHAP]	13

UN Envoy Discusses DPRK Nuclear Issue [YONHAP]	14
Ministry Institute Views DPRK Nuclear Issue [THE KOREA TIMES 18 Aug]	14
Israeli Envoy Denies Aid Discussed With DPRK [YONHAP]	15
ROK Mission To Begin Road Work in Somalia [YONHAP]	16
Construction Minister Departs for PRC [YONHAP]	16
ROK, China Fail To Agree in Aviation Talks [YONHAP]	16
Seoul, Taiwan To Set Up Representative Offices [YONHAP]	16
Seoul, Russia To Discuss Former Legation Site [YONHAP]	17
Joint Chiefs of Staff Chairman To Visit Russia [HANGUK ILBO 16 Aug]	17
Paper Analyzes Japanese-DPRK Relations [CHUNGANG ILBO 17 Aug]	17
Kim Yong-sam Fires Secretary for Receiving Fees [YONHAP]	18
Kim Yong-sam Urges Railway, Airport Projects [YONHAP]	18
Board Plans for Former Presidents' Silence [YONHAP]	19
Seoul University To Readmit Student Activists [THE KOREA HERALD 15 Aug]	19
Trade Deficit Drops 52.5 Percent Jan-Jul [YONHAP]	20
Government To Furnish Funds to Small Industries [YONHAP]	20
Farming Enterprises Allowed To Own More Land [YONHAP]	20

SOUTHEAST ASIA

Burma

Singapore Economic Delegation Arrives 16 Aug [Rangoon Radio]	21
Shan State Region-6 Delegate Gives Report [Rangoon TV]	21
More Political Party Delegates Present Reports [Rangoon TV]	24

Brunei, Malaysia & Singapore

Malaysia

Abdullah Previews Mahathir's Visit to Thailand [BERNAMA]	27
Mahathir: Country May Build Rockets 'One Day' [BERNAMA]	28

Singapore

Deputy Premier Resigns To Run in Elections [Singapore Radio]	28
Goh Outlines Four Employment Strategies [THE STRAITS TIMES 16 Aug]	28

Cambodia

Ranariddh To Visit Singapore Without Hun Sen [AFP]	30
Government Launches Attack on Khmer Rouge Town [AFP]	30
Government Refuses KR Request for Talks [AFP]	30
General: Government Offensive 'Huge Success' [AFP]	31
Sihanouk Informed of Proposed Roundtable Dates [Radio VGNUFC]	31
DK Spokesman: Two Vietnamese Soldiers Captured [Radio VGNUFC]	31

Indonesia

Suharto Delivers Independence Day Speech 16 Aug [Jakarta TV]	32
111 Refugees Scheduled To Be Repatriated [ANTARA]	38

Laos

U.S., Lao, SRV Delegations Meet in Hawaii [Vientiane Radio]	38
Meeting 'Constructive' [Vientiane Radio]	38
SRV Assembly Delegation Arrives for Visit [Vientiane Radio]	39

Philippines

Ramos Authorizes Passports for Communist Leaders [Quezon TV]	39
--	----

Ramos Approves Five Infrastructure Projects	[THE MANILA CHRONICLE 18 Aug]	39
---	-------------------------------	----

Thailand

Two Soldiers Killed, 14 Injured in Muslim Ambush	[AFP]	40
'Resurgence of Troubles' in South Viewed	[THE NATION 18 Aug]	40
Cabinet Approves Proposal on U.S. Trade Dispute	[Bangkok Radio]	41
'Powerful' Business Delegates To Join Chuan in PRC	[THE NATION 18 Aug]	41

Vietnam

Deputy Prime Minister Nguyen Khanh Visits Hon Gai	[Hanoi TV]	42
Political Bureau's Le Phuoc Tho Visits Ninh Thuan	[Hanoi TV]	42
KR Kidnaps, Kills Vietnamese Residents in Cambodia	[Hanoi Radio]	42
General Political Department Holds Conference	[Hanoi Radio]	43
Gap Between Rich, Poor Widens in Countryside	[AFP]	43

AUSTRALASIA

Australia

Croatia Establishes Consul General in Melbourne	[Melbourne International]	45
Treasurer Announces Record Budget Deficit	[AFP]	45
Minister: Unemployment Level 'Unacceptably High'	[Melbourne International]	45

Solomon Islands

Bougainville Office To Be Closed in Peace Move	[Melbourne International]	45
--	---------------------------	----

SPF First Regional Group Dialogue for Taiwan

*BK1408014293 Hong Kong AFP in English 0132 GMT
14 Aug 93*

[By Michael Field]

[Text] Nauru, Aug 14 (AFP)—Taiwan scored a diplomatic triumph Saturday when a senior official addressed members of the South Pacific Forum (SPF), marking Taipei's first dialogue with a regional group.

Attendance fell far short of the forum's total 15-nation membership, but leaders who met with the Taiwanese official did so despite earlier warnings from major aid donor China that pursuing closer ties with Taipei could result in less money for Pacific countries from Beijing.

"We have no intention to bring controversy or politics into this forum," Taiwan's Vice Minister of Politics Fang Chin-Yen told Pacific leaders.

"It is not our intention to corrupt anybody. We have come only for productive purposes."

The meeting with Taiwan was the last in a series of post-forum dialogues between Pacific leaders and major aid donors, including China, following their annual South Pacific Forum earlier this week.

Four forum countries—Nauru, Tonga, Tuvalu and the Solomon Islands—have diplomatic ties with Taiwan. They have sought for three years to include Taipei in the post-forum dialogue schedule.

China has strongly opposed what it sees as an attempt to run a "two China policy."

On Thursday, China's ambassador to Fiji, Hua Junduo, said Beijing "firmly opposes the establishment of official relations or the conduct of exchanges of an official nature between Taiwan and countries having diplomatic relations with China, or any remark or action that may result in the creation of 'two Chinas' or 'one China, one Taiwan', or in treating Taiwan as an independent political entity."

The forum turnout Saturday was not as big as Taiwan had hoped. The four nations friendly towards Taiwan, plus Fiji, the head of the Pacific fisheries agency and officials for the forum's Suva-based secretariat attended.

Earlier Hua had warned the secretariat and its agencies that any involvement with Taiwan would result in reduced aid from China.

In 1949, nationalists fled China to Taiwan after they were defeated by mainland communists in a civil war. Since then, Beijing has viewed Taiwan as a renegade outpost which remains part of China, and Taipei has said it, not Beijing, is the true government of China.

Fang told AFP Saturday his involvement here was the first time Taiwan had taken part in a dialogue with a regional organisation.

"This is an overdue development, because we exist. We are a continuation of the republic of 1912, so under normal circumstances we should be treated as ordinary. We are not outlaws."

He said they were willing to meet any nation, regardless of whether they had ties with Beijing or not.

But he stressed Taipei wanted to be an ordinary dialogue partner.

"This is the first time we take part in the dialogue and we take it seriously.... We are not going to bring in polemics."

There had been speculation here that Taiwan had made large donations of money to ensure it got into the dialogue.

"We do not corrupt anybody," Fang said.

He said they had a 1.1 billion U.S. dollar fund to provide soft loans for project-oriented development aid.

"We are not at random scattering the money to corrupt anybody."

Asked if he was disappointed that Australia and New Zealand had declined to take part in the meeting, he said: "We hope that gradually they will perceive the facts of life."

PRC Official: Jiang Not To Make Foreign Visits

*SK1108113493 Seoul HANGUK ILBO in Korean
11 Aug 93 p 2*

[By reporter Ko Tae-song from Beijing]

[Text] It was confirmed on 9 August that the visit to the ROK by PRC President Jiang Zemin, which was reportedly to be realized this year, has been postponed until next year. In an exclusive interview with a HANGUK ILBO reporter, a high-ranking official of the PRC Foreign Ministry said that "President Jiang has no plan to visit the ROK or any other country within this year," thus revealing the postponement of his visit to the ROK.

Japan**Hosokawa, Hata Planning U.S. Visits in Sep***OW1808073493 Tokyo KYODO in English 0728 GMT
18 Aug 93*

[Text] Tokyo, Aug. 18 KYODO—Japanese Prime Minister Morihiro Hosokawa is likely to make a four-day visit to the United States starting September 25 to meet U.S. President Bill Clinton, government sources said Wednesday [18 August].

The premier is also likely to address the United Nations General Assembly on September 27, the opening day of the world body's annual meeting, the sources said.

It will be Hosokawa's first overseas trip since he took office on August 9 after his coalition toppled the Liberal Democratic Party from power for the first time since 1955.

In New York, Hosokawa will meet Clinton and UN Secretary General Butrus Butrus-Ghali and may hold talks with South Korean President Kim Yong-sam, whose attendance at the UN parley is yet to be officially arranged, the sources said.

Deputy Prime Minister and Foreign Minister Tsutomu Hata is also reportedly eager to visit the U.S. on September 25 along with Hosokawa.

The prime minister is considering delivering a speech to the UN General Assembly in English, outlining the new Japanese administration's essential foreign policy and showing his views on Tokyo's international contribution and the reorganization of the UN Security Council, the sources said.

In a meeting with Clinton, Hosokawa will explain his government's policy of maintaining good Tokyo-Washington relations and express his determination to slash Japan's mammoth trade surplus with the U.S., the sources said.

Hata hopes to confer with foreign ministers of Russia, China and South Korea in New York and open a foreign ministerial meeting of the Group of Seven (G-7) major industrialized countries, they said.

Japan hosted this year's G-7 summit, inviting its six partners—Britain, Canada, France, Germany, Italy and the U.S.—to Tokyo in July.

The Japanese foreign minister also plans to proceed to Washington and meet U.S. Defense Secretary Les Aspin and leaders of the U.S. Congress, the sources said, adding Hata will thus stay longer in the U.S. than Hosokawa.

The sources also said there is a plan to hold during Hata's stay in the U.S. a first Japan-U.S. cabinet-level meeting, which will be attended by Japan's foreign minister, the U.S. secretary of state, the Japanese Defense Agency chief and the U.S. defense secretary. But

the foreign minister's trip to the U.S. may be arranged several days after Hosokawa visits the country depending on the development of Diet debates, a Foreign Ministry source said.

An extraordinary session of the Diet is planned for early September to deliberate political reform and other pressing issues.

Hosokawa has staked his political future on the success of passing through the Diet by year's end a set of political reform bills featuring electoral changes and tighter curbs on political funding.

Keidanren on More U.S. Taxing of Foreign Firms*OW1808035293 Tokyo KYODO in English 0347 GMT
18 Aug 93*

[Text] Washington, Aug. 17 KYODO—Visiting representatives of Japan's Federation of Economic Organizations (Keidanren) told U.S. officials Tuesday [17 August] they are strongly opposed to moves to get foreign companies operating in the United States to pay more tax.

U.S. tax authorities believe many foreign companies, including Japanese firms, underestimate their income earned in the U.S. through accounting loopholes.

Lawmakers have proposed tightening taxation regulations to counter this and imposing additional levies or penalties. In opposing the moves, foreign-owned firms say they pay their fair share of tax.

Sources close to the members of a Keidanren subcommittee said they discussed with senior Treasury Department officials the ways profits are divided between Japanese-owned companies in the U.S. and their parent corporations. They also discussed the accounting methods parent companies use to make interest payments for loans taken to fund operations of affiliated firms in the U.S., the sources said.

The members of a Keidanren subcommittee on corporate management and disclosure led by Atsushi Muramatsu, an adviser at Nissan Motor Co., are scheduled to also meet with officials of U.S. Securities and Exchange Commission, the Internal Revenue Service and others during their trip.

MITI Welcomes U.S. Decision on Semiconductors*OW1808122293 Tokyo KYODO in English 1216 GMT
18 Aug 93*

[Text] Tokyo, Aug. 18 KYODO—The Japanese Trade Ministry welcomed Wednesday [18 August] a U.S. decision not to take protectionist measures against foreign computer chip makers. The decision, which had been expected, is welcome, an official of the Ministry of International Trade and Industry said.

The U.S. Commerce Department made the decision in connection with a petition filed by two U.S. chip makers against Kyocera Corp. of Japan, which controls more

than 50 percent of the world market for ceramic packages with wide application possibilities from cars to missiles, THE NEW YORK TIMES reported earlier in the day. The ministry official said the ceramic packages are merely packages of semiconductors and it is crystal clear they would not affect U.S. national security.

The times said the U.S. Administration plans to offer technological assistance to domestic makers of certain computer chips facing stiff competition.

The U.S. decision was in response to a petition filed by Coors Electronic Package Co. and Ceramic Process Systems Corp. in a bid to curb Japanese imports.

Chernomyrdin Denial of Dispute 'Regrettable'

*OW1808093093 Tokyo KYODO in English 0910 GMT
18 Aug 93*

[Text] Tokyo, Aug. 18 KYODO—Japan considers "extremely regrettable" Russian Prime Minister Viktor Chernomyrdin's recent remarks that no territorial dispute exists between Japan and Russia and that there should be no negotiations, the Foreign Ministry said Wednesday [18 August].

"If Prime Minister Chernomyrdin's reported remarks are true, they contradict the basic policy of the Russian Government and are extremely regrettable," said a statement issued in the name of spokesman Terusuke Terada.

The statement said the Japanese Government is seeking confirmation of the remarks, which Russian news agencies reported him as making during visits to the islands of Sakhalin and Etorofu.

It pointed out that the Russian Government has repeatedly made clear its position of aiming to realize full normalization of bilateral relations through the removal of obstacles rooted in the past, including the territorial issue.

Russian President Boris Yeltsin reconfirmed that stance during his visit last month to Tokyo, in which he also said the territorial issue would be on the agenda of his official visit to Japan scheduled for mid-October, the statement said.

Japan has demanded that Russia return Etorofu, Kunashiri, Shikotan, and the Habomai group of islets seized by Soviet Red Army at the end of World War II.

Chernomyrdin, responding to a question from Japanese television reporters on Tuesday in Sakhalin, said the territorial issue with Japan is "nonexistent" as far as he is concerned.

Russia's INTERFAX news agency quoted him the same day as saying, "we do not need foreign land and we shall never give our land to anybody. We do not talk about this with anybody."

Chernomyrdin, fresh from a visit to Etorofu, was said to have emphasized that it is not only his own position, but

that of the Russian cabinet as well, that it is "out of the question" to surrender the islands since "this is our land and our people live here."

The Russian news agency ITAR-TASS paraphrased the premier as saying the question of sovereignty over what Japan calls its northern territories was "not on the agenda."

The Foreign Ministry's statement made no reference to subsequent remarks Tuesday by a Yeltsin spokesman that a 1956 Russo-Japanese accord suggesting eventual return of two of the four disputed islands off Hokkaido has become "unrealistic" to implement.

The spokesman, Anatoliy Krasikov, suggested in an interview with KYODO NEWS SERVICE that Russia would not honor the 1956 joint declaration, which calls for the reversion of the Habomai group of islets and Shikotan Island to Japan following the conclusion of a peace treaty.

Russian Vice Foreign Minister Gregoriy Kunadze is expected to visit Japan next week for talks with senior Japanese officials on Yeltsin's planned trip to Tokyo.

Ministry: Cambodian Aid Talks Set for 8-9 Sep

*OW1308114393 Tokyo KYODO in English 1109 GMT
13 Aug 93*

[Text] Tokyo, Aug. 13 KYODO—An international conference on aid for Cambodian reconstruction will be held in Paris on September 8 and 9, a Foreign Ministry spokesman said Friday [13 August].

Terusuke Terada told reporters that high-level officials from some 33 countries, 12 international organizations, and the European Community will assemble for the conference, which Japan is to chair.

Tadashi Ikeda, director general of the Foreign Ministry's Asian Affairs Bureau, will be the Japanese chairman of the conference of the International Committee on Reconstruction in Cambodia (ICORC).

Terada said Cambodia is to assess its future economic and social development needs at the conference, and members will consider measures to provide the nation with active assistance centered on priority targets.

The spokesman said a follow-up conference is likely to be held in Japan sometime next year.

Spokesman Welcomes Arrests in Peru Slayings

*OW1308114893 Tokyo KYODO in English 1103 GMT
13 Aug 93*

[Text] Tokyo, Aug. 13 KYODO—Japan welcomes Peru's capture of two guerrilla suspects in the 1991 slaying of three Japanese agricultural experts, a Foreign Ministry spokesman said Friday [13 August]. Spokesman Terusuke Terada told reporters Japan highly

appreciates the investigative efforts of Peruvian authorities in the case and awaits its settlement through due legal process.

Peruvian President Alberto Fujimori announced Thursday that a two-year police probe had brought about the capture of over a dozen Shining Path guerrillas, including those believed responsible for the killings. The two men, along with another guerrilla yet to be captured, are suspected of shooting dead three Japanese agricultural experts who were dispatched to Peru with the Japanese International Cooperation Agency (JICA), a government aid agency.

The killings, which took place in the northern city of Huaral in July 1991, led to the withdrawal from Peru of tens of Japanese aid workers, who have yet to return.

New Defense Chief Discusses Aspirations, Plans

OW1408031793 Tokyo NHK General Television Network in Japanese 1000 GMT 11 Aug 93

[Interview with Keisuke Nakanishi, newly named Defense Agency director general, by NHK reporter Yoshiaki Kawabata at the director general's office in Tokyo; recorded—from "NHK News" program]

[Text] [Kawabata] We are featuring interviews with new cabinet ministers this week. Today, we will speak to Mr. Keisuke Nakanishi, the Defense Agency [DA] director general. Mr. Nakanishi is a member of Shinseito [Japan Renewal Party]. He is serving his sixth term in the House of Representatives. He has formerly served as chairman of the lower house Steering Committee and also as chairman of the house Finance Committee. This is his first cabinet post.

I think the fact that the coalition parties do not share the same views regarding the defense policy makes the DA director general's position rather difficult. What is your view on that?

[Nakanishi] Some people have expressed such concern to me. But after all, national defense remains the government's basic policy—even though it may be a coalition this time. Coalition leaders have agreed to follow the former administration's policy, based on the ideals and spirit of the Japanese Constitution and keeping the Japan-U.S. security structure as its axis. Hence, I believe there should be no major problem in that regard.

[Kawabata] You said at a news conference the other day that Japan will continue to be active in peacekeeping operations [PKO]. Do you mean that the Self-Defense Forces [SDF] will be actively involved in the operations?

[Nakanishi] Well, I think eventually the SDF's involvement is desirable. We have seen that Japan's financial contribution is not appreciated by the international community. I think Japan needs to make personnel contributions through the United Nations.

[Kawabata] The SDF troops in Cambodia will be returning to Japan by the end of September. Do you plan to visit Cambodia before then?

[Nakanishi] The assignments in Cambodia are ending soon. I would rather visit Mozambique. But I also need to think about the upcoming parliamentary discussions. I am still in the stage of drafting a schedule with all these points in mind.

[Kawabata] UN Secretary General Butrus Ghali is advocating creation of UN peacekeeping enforcement troops and is calling for Japan's participation in it. How would you respond to his request?

[Nakanishi] A single country like Japan or the United States alone would be unable to keep peace in the world. I think as many countries as possible will need to work together within the framework of the United Nations. It will be an honor for Japan to play a key role in the United Nations in the future and I think it will happen. But at the same time, there should be a consensus among the Japanese people that Japan should assume a responsible role—by sharing much sweat together. It may take time, but I believe the Japanese people will come to understand the need for SDF participation in international peace operations.

[Kawabata] I would like to ask you about next year's budget. How much do you plan to request in the defense budget?

[Nakanishi] In December last year, the mid-term defense buildup plan was amended. The DA is now making every effort to adjust itself to the amended plan. After all, about 80 percent of the agency's budget is for loan repayment or for personnel costs. In the meantime, the troops must continue training because, otherwise, they will be useless in case of an emergency. We must bear some costs. We must be able to pay for fuel, for instance. We must have money to conduct inspections on airplanes and other equipment for necessary maintenance to avoid accidents.

So it is very difficult to cut into the remaining 20 percent. Many people immediately tend to associate the DA budget with direct spending on actual defense activities. But they should understand that the spending is strictly governed by the mid-term plan and that there are brakes put on the spending from very many angles. There is absolutely no cause to worry that the agency could be wasteful. That being the case, I feel the people who talk about cutting the DA budget are being excessive in their demands. For instance, the agency now defers the payment of retirement allowances for one year to make ends meet. I do hope that the people will understand the desperate efforts we are making to manage within our budget.

Yamashita Asked About Election Irregularities

*OW1708015993 Tokyo KYODO in English 0101 GMT
17 Aug 93*

[Text] Saga, Aug. 17 KYODO—Police have questioned former Health and Welfare Minister Tokuo Yamashita about his suspected involvement in an alleged election bribery case involving members of the local assembly in his home town, police sources said Tuesday [17 August].

Yamashita, 73, of the Liberal Democratic Party voluntarily submitted himself to police questioning about the allegations surrounding the July general elections, but categorically denied he was involved in the case, the sources said.

A secretary general of Yamashita's election committee has already been indicted on charges of bribing 22 municipal assembly members at Yamashita's home in Imari, Saga Prefecture, on June 22.

Each of the 22 local assembly members have also been indicted for allegedly receiving 100,000 yen bribes, and Yamashita's wife Kyoko, 70, has been arrested for her role in the case.

Investigators said Yamashita was also present at the June 22 meeting at his home.

Police have also questioned Imari Mayor Michinori Takeuchi, 74, president of Yamashita's election committee, in connection with the election bribery case.

Yamashita, who has been elected from the Saga district for nine consecutive terms, has served in such key posts as transportation minister, chief cabinet secretary, and head of the Management and Coordination Agency.

Yamahana To Accept Responsibility for Reform

*OW1808034793 Tokyo KYODO in English 0333 GMT
18 Aug 93*

[Text] Tokyo, Aug. 18 KYODO—Sadao Yamahana, state minister in charge of political reform, indicated Wednesday [18 August] he will take responsibility if political reform cannot be achieved during the year.

Appearing on a private television program, Yamahana voiced confidence that political reform bills would be passed within the year, saying he will accomplish it with responsibility. He added that he and Prime Minister Morihiro Hosokawa have the same responsibility on the matter.

Hosokawa said at a news conference last week that he would take responsibility if the bills cannot be passed during the year.

Touching on electoral reform for the House of Representatives, Yamahana, chairman of the Social Democratic Party (SDP), suggested debating a proposal by the Japan New Party and Sakigake in which 500 Diet seats would

be divided into 250 single-seat districts and a national constituency of 250 seats by proportional representation.

Under the current system, 511 lower house members are elected from multiseat constituencies with two to six seats being allocated to each district.

Home Affairs Minister Kanju Sato, speaking on a television program, said introducing an electoral system where one ballot covers a single-seat constituency and proportional representation would be constitutionally impossible.

Sato's SDP wants voters to cast two ballots—one for an individual candidate in the voter's constituency and another for a party on a national basis.

Among other coalition parties, Shinseito and Komeito are seeking a ratio of 300 single-seat districts to 200 seats selected by proportional representation with a single ballot.

The Democratic Socialist Party supports that ratio but with separate ballots.

Sato said under the one-ballot system, votes cast for independent candidates running in single-seat electorates would not be reflected in proportional representation.

Chief Cabinet Secretary Masayoshi Takemura on Sunday [15 August] also questioned the constitutionality of a one-ballot system.

Hosokawa Calls Yen's Surge 'Speculative'

*OW1808000193 Tokyo KYODO in English 2337 GMT
17 Aug 93*

[Text] Karuizawa, Nagano Pref., Aug. 18 KYODO—Prime Minister Morihiro Hosokawa late Tuesday [17 August] called the yen's sharp advance against the dollar "speculative."

"There would be no such speculative movements if foreign exchange rates reflected economic fundamentals accurately," Hosokawa said.

The premier, who is on three-day summer vacation, made the remark to a group of reporters after the dollar closed at 101.55 yen in Tokyo, up 0.30 yen from the previous day's finish.

The dollar slid to a global record low 101.25 yen in Tokyo late Monday.

Hosokawa's cabinet will hold a special meeting Thursday on how to deal with the volatility of the currency markets and the continuing business slump.

Mieno Holds News Conference on Yen's Rise*OW1808075193 Tokyo KYODO in English 0743 GMT
18 Aug 93*

[Text] Tokyo, Aug. 18 KYODO—Bank of Japan Governor Yasushi Mieno said Wednesday [18 August] the yen's rise in value against the U.S. dollar is "much too fast" but indicated the central bank has no plans to cut the official discount rate.

"It's unusual for me (as central bank governor) to comment on the currency market like this," Mieno told a regular news conference. "But I would like to clearly state that the yen is rising much too rapidly in such a short period of time."

Mieno said the BOJ will continue to monitor developments and will stick to its existing monetary policy, implying that the bank is not considering trimming the key lending rate that it charges on commercial banks, currently standing at a historical low of 2.5 percent per annum.

The governor said the currency exchange volatility would have a negative influence on Japan's economy, but reiterated his previous view that the situation is expected to begin recovering in the latter half of the current fiscal year, led by private-sector demand.

He did say, however, there is no clear evidence that conditions will improve, though there have been no serious grounds so far for the BOJ to change its forecast.

Stock adjustments are proceeding to pave the way for future recovery, but private consumption and corporate capital spending remain sluggish, Mieno noted.

Asked to comment on recent requests by the industrial sector to lower the discount rate, Mieno brushed them aside saying the central bank will never reduce the rate simply in order to prop up capital spending.

"It is absolutely necessary to cut Japan's current account surplus," he said, and stressed the need for drastic deregulation in the domestic market. "It seems as if such calls are being voiced more loudly recently," he said, and hoped "concrete plans" would be scrutinized and put into practice.

Prime Minister Morihiro Hosokawa and economic ministers will meet on Thursday to discuss the current state of the economy, including the effects of the recent rise of the yen against major currencies in light of the country's soaring current account surplus.

The current account surplus in June gained 13.5 percent from a year before to 10.71 billion dollars, bringing the surplus for the first six months of this year to a record 67.52 billion dollars, according to the Ministry of Finance.

Mieno said Japan also needs to stimulate domestic demand by increasing imports and passing on the benefits of the higher yen to consumers. He has been a supporter of the yen's appreciation, though strictly from a long-term perspective.

Referring to the recent easing of short-term interest rates, Mieno denied the central bank is intentionally pushing the levels in any particular direction, saying "when interest rates are autonomously declining, it is not desirable to force them."

He attributed the softening to a less optimistic outlook for the economy by market participants in the wake of various discouraging factors, including the rising yen.

Official: No New Government Pump-Priming Policy*OW1808095193 Tokyo KYODO in English 0939 GMT
18 Aug 93*

[Text] Tokyo, Aug. 18 KYODO—The government is not planning to announce any new pump-priming policy when economic ministers gather Thursday [19 August] to discuss current economic issues, a senior Finance Ministry official said Wednesday.

The official, speaking on condition of anonymity, said the ministers will merely meet to exchange views on recent economic conditions, including the impact of the yen's surge against major currencies. But he said they will probably talk about passing on the benefits of the yen's appreciation to consumers, which would be one of the few measures left that could help spur domestic demand after the government has taken all the fiscal and monetary steps it can.

The official was skeptical that the Thursday morning meeting would result in agreement on any specific pump-priming package, given the fact that no senior Economic Planning Agency official would be attending.

The official said the recent appreciation of the yen against major currencies is speculative and authorities will take appropriate actions. He did, however, indicate limitations to what governments can do by citing the volume of currency transactions per day, estimated at 900 billion dollars worldwide.

Turning to the recently revealed "Tobashi" stock scandal involving former employees of Cosmo Securities Co., the official said the ministry will announce a severe penalty on the company as soon as possible.

The Securities and Exchange Surveillance Commission on Wednesday advised the ministry to go ahead with penalizing the company, which will virtually be taken over soon by Daiwa Bank along with its 70 billion yen debt that stemmed from the stock-shuffling scandal.

Cosmo, which was penalized in December for a similar reason, kept the scheme secret for fear that the revelation could lead to the end of its business operations.

North Korea

Ministry Accuses South of Rumors on Team Spirit

SK1708231393 Pyongyang Korean Central Broadcasting Network in Korean 2212 GMT 17 Aug 93

[Text] A spokesman of the DPRK Foreign Ministry answered yesterday [17 August] a question raised by a KCNA reporter on the recent rumor that the United States and South Korea have agreed to resume the Team Spirit joint military exercise.

Not long ago, the South Korean authorities circulated public opinion by mobilizing their media that the United States and South Korea have agreed to resume the Team Spirit joint military exercise next year. We strongly denounced the South Korean authorities' antinational act.

In connection with this, the United States immediately informed us that such a report by South Korea is not true at all. The U.S. State Department announced its official position that nothing has been decided yet in connection with the Team Spirit military exercise. We paid due attention to the U.S. side's active notice.

It is ridiculous that South Korea, which has no rights, raves about the resumption of the Team Spirit military exercise and so on when nothing has been decided with regard to the resumption of the Team Spirit military exercise, as the U.S. side informed us.

The South Korean authorities should not seek mean intention to create obstacles before the DPRK-U.S. talks. Instead, they should clearly realize their position as a servant and should act within their means.

We will keenly watch the Team Spirit military exercise in the future. If there is the slightest move to resume the exercise, we will take a due measure against it.

KCNA Quotes Statement

SK1808045993 Pyongyang KCNA in English 0427 GMT 18 Aug 93

["FM Spokesman on DPRK's Stand Toward "Team Spirit" Exercises"—KCNA headline]

[Text] Pyongyang, August 18 (KCNA)—"We will take an appropriate measure at the slightest sign of the resumption of the 'Team Spirit' military exercises," warned a spokesman of the Foreign Ministry of the Democratic People's Republic of Korea.

He said this Tuesday [17 August], answering a question put by KCNA about the rumor that the United States and South Korea recently agreed to resume the "Team Spirit" joint military manoeuvres.

He further said:

"Some time ago, the South Korean authorities set media in-motion in spreading the rumor that the United States and South Korea had agreed to stage the 'Team Spirit' military exercises again next year. We strongly denounced such anti-national act of the South Korean authorities.

"In this connection, the U.S. side promptly notified us that this report of South Korea was totally inconsistent with the fact. Then the U.S. State Department manifested its official stand, stating that no decision had been adopted regarding the 'Team Spirit' military exercises.

"We took a due note of the active information of the U.S. side.

"If there is no decision on the resumption of the 'Team Spirit' war game, as notified us by the U.S. side, it is, indeed, ridiculous of South Korea to make much ado about its resumption, having no power at all.

"The South Korean authorities must not pursue the mean purpose of laying obstacle to the DPRK-USA talks, but act with discretion, clearly mindful of their position of depending on others.

"We will sharply watch the moves surrounding the 'Team Spirit' exercises in the future, too, and take an appropriate measure at the slightest sign of their resumption."

U.S., South Begin Ulchi Focus Lens Exercise

SK1808052493 Pyongyang KCNA in English 0435 GMT 18 Aug 93

[Text] Pyongyang, August 18 (KCNA)—The U.S. imperialists and the South Korean puppets started the aggressive "Ulchi Focus Lens 93" joint nuclear war game on August 17, according to military sources.

Hurled into the war exercise is tens of thousands of U.S. troops and hundreds of thousands of puppet army troops and a huge amount of latest death tools, [punctuation as received]

The play with fire is an extremely dangerous preliminary war and an overall test nuclear war aimed at testing and rounding off the practicability of a joint operational plan for a surprise preemptive strike at the northern half of Korea.

The Korean people and People's Army soldiers are now sharply watching the war moves of the U.S. imperialists and the South Korean puppets with heightened revolutionary vigilance.

KCNA on U.S. Adoption of South Koreans

SK1808105393 Pyongyang KCNA in English 1002 GMT 18 Aug 93

[Text] Pyongyang, August 18 (KCNA)—South Korea tops the world list in the export of children to the United

States due to the treacheries of the South Korean authorities, according to a South Korean newspaper report.

According to a figure released by the U.S. Board of Immigration, South Korean children accounted for nearly 30 percent among the 6,536 children sold to the United States in 1992.

Reporting this, the paper deplored that South Korea has not yet washed off the stain of "world's biggest exporter of adopted children."

DPRK-Russia Friendship Society Has Film Show

*SK1808052193 Pyongyang KCNA in English 0442
GMT 18 Aug 93*

[Text] Pyongyang, August 18 (KCNA)—The Korea-Russia Friendship Society arranged a film show in Pyongyang on August 17 on the occasion of the 48th anniversary of the liberation of the motherland.

Charge d'Affaires ad Interim Valeriy Denisov and officials of the Russian Embassy in Pyongyang were invited.

Present there were Yi Pong-hui, vice-chairman of the Radio and TV Broadcasting Committee of the Democratic People's Republic of Korea and chairman of the Korea-Russia Friendship Society, and other officials concerned and working people in the city.

The participants appreciated the feature film "Officers".

Culture Ministry Fetes Chinese Art Troupe

*SK1808050593 Pyongyang KCNA in English 0429
GMT 18 Aug 93*

[Text] Pyongyang, August 18 (KCNA)—The Ministry of Culture and Art gave a reception at Ognyu Restaurant Tuesday for a Chinese art troupe on a visit to Korea.

Invited to the reception were the members of the art troupe headed by Yuan Qitong, deputy secretary of the Fujian Provincial Committee of the Communist Party of China, and officials of the Chinese Embassy here.

Present there were Vice Premier and Minister of Culture and Art Chang Chol, Vice Minister of Culture and Art Kim Chong-ho, other officials concerned and artistes in the city.

Speeches were made at the reception.

Italian Socialist Movement Delegation Arrives

*SK1508092393 Pyongyang KCNA in English 0807
GMT 15 Aug 93*

[Text] Pyongyang, August 15 (KCNA)—A delegation of the Movement for Peace and Socialism of Italy led by Gianandrea de Stefano, director of the Organisational Department, arrived here Saturday [14 August].

It was met at the airport by Kim Hyong-u, vice-director of a department of the Central Committee of the Workers' Party of Korea.

U.S. Minister, Italian Academician Arrive

*SK1808050393 Pyongyang KCNA in English 0432
GMT 18 Aug 93*

[Text] Pyongyang, August 18 (KCNA)—The Rev. Syn-gman Rhee, president of the National Council of the Churches of Christ in the United States of America, and Giancarlo Elia Valori, secretary general of the Italian Institute of International Relations, arrived here by air Tuesday [17 August].

Kim Yong-sun Meets Italian

*SK1808105793 Pyongyang KCNA in English 1031
GMT 18 Aug 93*

[Text] Pyongyang, August 18 (KCNA)—Kim Yong-sun, alternate member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, on August 18 met and had a friendly conversation with Giancarlo Elia Valori, secretary general of the Italian Institute of International Relations.

Meeting Marks Congolese National Day

*SK1308043793 Pyongyang KCNA in English 0411
GMT 13 Aug 93*

[Text] Pyongyang, August 13 (KCNA)—A meeting to celebrate the 33rd anniversary of the national day of the Republic of the Congo was held here Thursday under the sponsorship of the Korea-Congo friendship association.

Present at the meeting were Choe Hyon-tok, vice-chairman of the Central Committee of the League of Socialist Working Youth of Korea and vice-chairman of the Korea-Congo Friendship Association, other officials concerned and working people in the city.

A speech was made and a message of greetings addressed to the Congolese president adopted.

Newspaper Commemorates Congolese National Day

*SK1508101593 Pyongyang KCNA in English 0847
GMT 15 Aug 93*

[Text] Pyongyang, August 15 (KCNA)—MINJU CHOSON today dedicates an article to the national day of the Congolese people.

The article says:

After the independence the Congolese people have made progress in the struggle to build a new society.

Pursuing the nonaligned policy in the external affairs the Congolese people are strengthening the friendship and solidarity with the progressive people of different countries of the world.

The peoples of Korea and the Congo have established firm friendly bonds.

The two peoples are strengthening and developing the friendly and cooperative relations for the commonness in the positions of the past days of oppression and maltreatment and today's struggle for independence against imperialism.

The Korean people will do everything to strengthen and develop the friendly relations with the Congolese people in the future, too, on the basis of the idea of independence, peace and friendship.

Workers Party, Swedish Party Issue Statement

*SK1408050993 Pyongyang KCNA in English 0429
GMT 14 Aug 93*

[Text] Pyongyang, August 14 (KCNA)—The Workers' Party of Korea and the Workers' Party-Communists of Sweden in their joint statement issued here August 12 vowed to support and closely cooperate with each other in the accomplishment of the common cause of socialism.

According to the statement, a delegation of the Workers' Party-Communists of Sweden led by Chairman Rolf Hagel visited Korea from August 5 to 12 and had talks with a delegation of the Workers' Party of Korea during its stay.

At the talks, the Workers' Party of Korea highly praised the Workers' Party-Communists of Sweden for keeping its faith in socialism despite the anti-socialist offensive and campaign of the imperialists and reactionaries.

It also sincerely wished the Workers' Party-Communists of Sweden greater success in its just activities and struggle for the guarantee of socio-political rights and interests of the working masses in the political, economic, cultural and all other fields of social life, the democratic development of the country and social progress.

The Workers' Party-Communists of Sweden highly estimated the struggle of the Workers' Party of Korea and the Korean people in achieving the singlehearted unity of the leader, the party and the masses and vigorously advancing anthropocentric socialism under the guidance of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, and hoped that they would make continued progress in the building of socialism.

It expressed full support and solidarity for the Korean people's struggle for the great unity of the nation and the independent and peaceful reunification of the country, and contended that the DPRK-USA joint statement must be realised to the letter.

Both sides reaffirmed their firm will to take a joint action and measures and further tighten the bonds of unity and

solidarity in the course of accomplishing the cause of socialism in the spirit of the Pyongyang declaration.

Yi Chong-ok Receives Finnish Envoy's Credentials

*SK1408051793 Pyongyang KCNA in English 0448
GMT 14 Aug 93*

[Text] Pyongyang, August 14 (KCNA)—Finnish Ambassador to Korea Ilka Rintimäki presented his credentials to Vice-president Yi Chong-ok at the Mansudae Assembly Hall Friday.

Attending the presentation ceremony was Cho Song-pom, vice-minister of Foreign Affairs.

After receiving the credentials, Vice-president Yi Chong-ok had a talk with the ambassador.

KCNA on Reaction to Japanese Premier's Apology

*SK1808111893 Pyongyang KCNA in English 1029
GMT 18 Aug 93*

[Text] Pyongyang, August 18 (KCNA)—Some cabinet members of Japan have made unreasonable remarks over the apology made by Prime Minister Hosogawa recently, saying that the Pacific war started by Japan was a war of aggression, according to a report from Tokyo.

Some officials of the Foreign Ministry said that "the problem must be dealt with prudently" because "if Japan made an apology, it would develop to the question of reparation." Chief Cabinet Secretary Takemura said "what the Prime Minister said is one thing and the question of reparation is another," claiming that the problem has already been settled. Parliamentary Vice-Minister of Education Abe even made the ridiculous remarks that "to call this war a bad thing is a wrong assessment of history."

Such utterances are a depicable sophism aimed at veiling the aggressive nature of the Pacific war and evading the liquidation of the past. No wonder they have invited indignation of the people.

The Pacific war which imposed immeasurable misfortunes and sufferings on the peoples of Korea and other Asian countries was in every respect a war of aggression unleashed by Japan. This has been proved by undeniable historical facts and confirmed in the world history of war criminals.

It is lucky that Prime Minister Hosogawa, unlike the preceding prime ministers, made an apology, admitting that the Pacific war was a war of aggression ignited by Japan.

It is preposterous for some cabinet ministers of Japan, sharply criticizing the remarks of Hosogawa, to argue in a far-fetched manner that they did not start the war for global aggression like Nazis of Germany.

This is an open challenge to our people and the Asian people who are demanding a more thorough apology and compensation for the past crimes of Japan including the case of "comfort women for the army".

Their assertion is nothing but a base move to lower the check-bar beforehand so that the Japanese Government may not make compensation to the countries which fell victims to the Pacific war.

Some ministers of Japan should look straight at the trend of the times and stop at once scheming to avoid thorough apology and compensation to the victims.

Ugandan Premier Gives Impressions of Visit

SK1708104193 Pyongyang KCNA in English 1002 GMT 17 Aug 93

[Text] Pyongyang, August 17 (KCNA)—George Kosmas Adyebo, prime minister of the Republic of Uganda, in a press interview upon returning home from a visit to Korea, stressed he could see wherever he went that the Democratic People's Republic of Korea has been built wonderfully along modern lines.

He said that during the Korean war, Korea was severely destroyed to ashes, but the Korean people have wonderfully built their country as it is today through self-reliance. He said: The countryside has been ramified with irrigation networks and developed, to say nothing of towns.

The minister of state for foreign affairs of our government who had visited Pyongyang in the 60s visited Korea again this time and was struck with wonder. Because he could not find the looks of Pyongyang of the 60s at all but modern and beautiful Pyongyang of today. I am struck with admiration at the wise leadership of the great His Excellency President Kim Il-song who has built the present-day developed Korea by leading the people.

We must learn from the experience of Korea which has developed on a modern basis through self-reliance.

Daily Calls Kim Yong-sam's Speech 'Mishmash'

SK1808051893 Pyongyang KCNA in English 0440 GMT 18 Aug 93

[Text] Pyongyang, August 18 (KCNA)—Kim Yong-sam, the incumbent chief executive of South Korea, in his "address" on August 15 charged the North with "suspected development of nuclear weapons", "black propaganda" and "line of reunification through communisation".

Commenting on this, MINJU CHOSON today brands his mishmash as a shameless false propaganda.

The news analyst says:

As we have repeatedly declared, we have neither nuclear weapons nor the intention to develop them. Nevertheless, Kim Yong-sam again brought forward the fiction of

"suspected development of nuclear weapons" of the North. This cannot be construed otherwise than an intentional act to aggravate the North-South relations and lead the situation to a more grave phase.

As for the North's "line of reunification through communisation" over which he raised an outcry in his "address", it is a worn-out anti-communist slogan invented by his predecessors for the fascist rule and "security of power".

The South Korean ruler who answered the North's efforts for peaceful reunification with the massive "Ulchi 93" war game and "Ulchi Focus Lens 93" joint nuclear exercise is now chanting the stereotyped anti-communist slogan used by his predecessors so long. But no one will pay heed to what he says.

No less preposterous is the grumble of the South Korean ruler about the North's "black propaganda".

Today the South Korean students and people are rising up in the struggle of their own accord as they cannot bear the deplorable reality in which the national sovereignty is encroached on, democracy is trampled upon and a free discourse on reunification is restricted.

The South Korean ruler attempted to get something by groundlessly vilifying the North. But this only revealed his abnormal and double-faced nature.

He must know that it will bring him disgrace and ruin.

Daily Says 'Bourgeois Democracy' Not 'Genuine'

SK1808105693 Pyongyang KCNA in English 1016 GMT 18 Aug 93

["Camouflage for Bourgeois Dictatorship"—KCNA headline]

[Text] Pyongyang, August 18 (KCNA)—The reactionary circles of the West claim that bourgeois democracy provides people with "freedom of individuality," "freedom of ideology," "human rights" and "equal rights" and satisfies their desire to the maximum extent.

NODONG SINMUN today brands this as a sophism motivated by the sinister intention to embellish the reactionary bourgeois democracy and make capitalism hold exclusive sway in the world.

The paper says in a by-lined article:

In capitalist society where all state policies are decided by the will and interest of the exploiter classes, there can be no genuine democracy nor can the working masses be guaranteed democratic freedom and rights and social equality.

In that society, money is almighty.

In capitalist society where the state powers and means of production are held in the hands of the capitalist classes,

these classes hold privileged positions and make arbitrary decisions while the working masses without power and means of production have no freedom and rights including the right to work, the right to eat and live, the right to receive medical service and the right to education.

It is ascribable to the intrinsic demands of the capitalist classes that there can be no democracy in capitalist society. Class domination and oppression are the nature and mode of existence of the capitalist classes. In order to maintain their existence and domination, they desperately resort to fascist dictatorship, oppress the working masses in the political, material, social and cultural aspects and deprive them of elementary political freedom and rights. In that society, any progressive idea and activity contravening and threatening the existence and domination of the exploiter classes are suppressed.

Nevertheless, the capitalists in power try to disguise reactionary bourgeois dictatorship as "democracy" and impose it on other countries with such deceptive political modes as "multi-party system" and "parliamentary system." By this method they scheme to degenerate the progressive countries and turn them to capitalism and establish an order of their domination in the world.

With no sophism, however, can they conceal the reactionary and anti-popular nature of bourgeois democracy and realise their dominationist ambition.

Yun Ki-pok, Chang Chol Attend Athletic Meeting

*SK1808102393 Pyongyang Korean Central
Broadcasting Network in Korean 0800 GMT 18 Aug 93*

[Excerpts] The National Athletic Meeting of College Students for the 5 September Prize opened. About 1,300 players from 54 colleges, who attained excellent scores in preliminary games held in provinces and districts, are participating in the national athletic meeting, an annual event marking anniversaries of the publishing of the great leader's work, *Theses on Socialist Education*. [passage omitted]

An opening ceremony of the National Athletic Meeting of College Students for the 5 September Prize was held at Kim Il-song Stadium on the morning of 18 August.

Yun Ki-pok, secretary of the Workers Party of Korea Central Committee; Chang Chol, vice premier of the State Administration Council; other functionaries concerned; presidents and deans of colleges participated in the opening ceremony with students and children in Pyongyang. [passage omitted]

Yun Ki-pok Attends Science, Technology Festival

*SK1808050793 Pyongyang KCNA in English 0422
GMT 18 Aug 93*

[Text] Pyongyang, August 18 (KCNA)—The 8th National Festival of Science and Technology opened here Tuesday.

The annual festival is of great significance in consolidating the successes registered by scientists and technicians and other sections of people in scientific research work and technical innovations, bringing the level of the nation's science and technology to a new height and surely guaranteeing socialist construction with science and technology.

Achievements of science and technology which have been estimated to be excellent through examinations in counties and provinces after being selected from industrial establishments from December last year to March this year will be published in the festival.

In recent years, scientists, technicians, workers, co-op farmers and other working people and students participated in the festival and introduced more than 514,500 excellent successes in scientific researches and technical innovation proposals.

Yi Cha-pang, chairman of the State Commission of Science and Technology and chairman of the Central Committee of the Korean General Federation of Science and Technology, in his opening address said the dear leader Comrade Kim Chong-il recently took measures to make the National Festival of Science and Technology a festival conducive to stepping up the development of science and technology and the economy of the country and further improving the people's living standard and has shown deep solicitude for it.

Present at the opening ceremony were Yun Ki-pok, secretary of the Central Committee of the Workers' Party of Korea, officials concerned, scientists, technicians, working people, students and three-revolution team members.

After the opening ceremony the festival began at divisional consultative meetings and academic meetings.

Daily Carries Article on Socialist Collectivism

*SK1408104093 Pyongyang KCNA in English 1021
GMT 14 Aug 93*

[Text] Pyongyang, August 14 (KCNA)—NODONG SINMUN today comes out with a by-lined article entitled "Chuche-Based Exposition of Collectivism."

The article says:

In his classical work *Abuses of Socialism Are Intolerable* the dear leader Comrade Kim Chong-il gives a scientific exposition of socialist collectivism based on the chuche idea.

What is important in the idea of collectivism expounded by him is, first of all, that the popular masses should unite in a socio-political organism in order to shape their destiny independently and creatively.

The socio-political organism, the independent maker of history, is an integral whole of the leader, the party and

the masses; it has a mighty force to fully realise the independence of the popular masses.

The idea on the socio-political organism teaches the people the profound truth that only when the leader, the party and the masses unite in a socio-political organism as a powerful driving force of the revolution, can they defend and exalt the socialist system.

What is important in the idea of collectivism expounded by the dear leader is also that the principles of comradeship and revolutionary obligation for mutual help and devoted service hold sway in the socio-political collective.

Prevailing throughout society are the noble ideological and moral traits of valuing the interests of society, the collective and the revolution more than those of individuals and devoting everything to the collective interests. Herein lie new human relations of socialist society fundamentally different from capitalist society based on individualism. In Korean-style socialism, all members of society are united in a socio-political organism and there are constantly created noble communist traits of donating one's bone and skin and even one's life for the prosperity of the country and the people and for revolutionary comrades in a large social family based on the singlehearted unity of the whole society.

In Korea, collectivism holds sway in society as the socialist idea and the collectivistic way of life based on comradeship and revolutionary sense of obligation is given full play in all spheres of social life.

The true advantage of Korean-style socialism centred on the masses is that all people lead a happy life suited to the attributes of social beings on the basis of collectivism.

Daily Urges 'Wartime' Spirit To Boost Socialism

*SK1808105593 Pyongyang KCNA in English 1023
GMT 18 Aug 93*

["NODONG SINMUN Calls for Living and Working as in Wartime"—KCNA headline]

[Text] Pyongyang, August 18 (KCNA)—It is the unanimous will of the Korean people to advance in the heroic fighting spirit displayed in wartime and accelerate the general forward march of the Korean-style socialism and glorify the Korean socialism in the spirit of crossing a river in flames and marching through a marshland, in response to the calls of the party Central Committee, although the 40th anniversary of the Korean people's victory in the war has passed. NODONG SINMUN August 17 says this in a political essay titled "In the Heroic Fighting Spirit Displayed in the Wartime".

The political essay calls for putting spurs on the general forward march of the Korean-style socialism, full of confidence and optimism, with the pride of having adorned the 40th anniversary of the victory in the war as

a grand festival of victors in hearty response to the calls of the Central Committee of the Workers' Party of Korea.

It says:

The spirit of crossing a river in flames and marching through a marshland is the spirit of not yielding to difficulties, not selling off one's dignity in face of the ordeals and rather giving oneself up than abandoning one's revolutionary principle and the indomitable revolutionary spirit of not being burned in flames and not being broken even behind the bars.

The revolutionary spirit displayed in the wartime is pulsating in this land generation after generation like a blood vessel, giving strong impetus to the Korean revolution.

Our party is leading the revolutionary cause of *chuche* to victory, constantly infusing the blood of the revolutionary spirit.

It is the unshakable determination of our party that we should neither make worthless the blood shed by the revolutionary forerunners nor break our pledge made before the red flag of the revolution even if we were to pay dearly, our body reduced to ashes.

Now we are living in a grave period, taking the destiny of socialism on our two shoulders.

The enemies are resorting to all kinds of offensives, pressure and blockade to stifle our socialism, with their guns and rifles levelled at us.

There cannot be a moment's indolence and relaxation for us.

Let us struggle in a revolutionary way like in the wartime and postward period and bring about a great upsurge in socialist economic construction.

This is the determination and will of our party calling us on to the general forward march of the Korean-style socialism.

In Korea today, days come and go with this revolutionary spirit of our party, and our people live and struggle in this revolutionary spirit of our party everywhere.

South Korea

DPRK 'Likely' To Begin Dialogue With IAEA

*SK1708122693 Seoul KBS-1 Radio Network in Korean
1200 GMT 17 Aug 93*

[Text] The International Atomic Energy Agency [IAEA] and North Korea will likely begin dialogue soon to resolve the North Korean nuclear issue.

A government official said today: I have learned that in a recent unofficial contact with North Korea, the United

States pressed North Korea to immediately begin dialogue with the IAEA and North Korea reacted positively to this.

North Korea, however, has repeatedly expressed its position of strongly opposing inspections of unreported facilities [sisol] at Yongbyon, North Korea.

IAEA Reports Results of DPRK Nuclear Check

*SK1808003493 Seoul YONHAP in English 0027 GMT
18 Aug 93*

[Text] Seoul, Aug. 18 (YONHAP)—The International Atomic Energy Agency (IAEA) team recently in Pyongyang was allowed to "see" some nuclear sites and did not find evidence of nuclear activities since the last ad-hoc inspection, Seoul officials said Wednesday [18 August].

Only about half the number of regular ad-hoc inspection team members had been in North Korea for a week from Aug. 3, and the trip reportedly stopped at minimal equipment maintenance checks.

Officials said the team was able to visit the 5 megawatt experimental nuclear reactor in Yongbyon and check the nuclear rods, and it did not find evidence of any reprocessing activities.

"The team is expected to file a report on the condition of the reactor and the rods to the IAEA secretariat," said one official.

The last full-fledged inspection was in January this year. A smaller team went to North Korea in May, but was restricted to maintenance checks.

U.S.-ROK 'Conflict' on Check

*SK1808024793 Seoul HANGYORE SINMUN in Korean
18 Aug 93 p 1*

[Text] An ad hoc inspection team of the International Atomic Energy Agency [IAEA] has made a one-week visit to an atomic power research complex in Yongbyon from 3 August. The United States believes that the IAEA inspection team's activities were quite successful, while the ROK thinks that the activities fall short of its expectations. Thus, the outcome of the IAEA inspection team's activities creates delicate conflict between the ROK and the United States.

The United States maintains the position that the third phase of talks with North Korea should be held as scheduled if the situation improves in the future, while the ROK has the contradictory position that the third round of North Korea-U.S. talks can be held only when substantial progress is made in North-South dialogues.

A Foreign Ministry official said on 17 August in connection with the IAEA inspection team's activities: "We understand that the inspection team was engaged in only

a technical dimension of activities including the replacement of batteries and tapes in various kinds of monitoring equipment which had been installed in a five megawatt-level reactor and a radiochemical testing room (reprocessing facilities) in Yongbyon. This official added: "The inspection this time was confined only to the technical dimension of activities. Nevertheless, the United States believes that the activities were quite successful because continuous monitoring was guaranteed."

ROK To Push Efforts To Resume DPRK Talks

*SK1808032393 Seoul YONHAP in English 0308 GMT
18 Aug 93*

[Text] Seoul, Aug. 18 (YONHAP)—The South Korean Government decided Wednesday to push its efforts to resume dialogue with North Korea without being restricted by form if Pyongyang reopens negotiations with the International Atomic Energy Agency (IAEA) on the nuclear issue.

The decision came at a meeting of cabinet ministers concerned with unification problems, chaired by Han Wan-sang, deputy prime minister and head of the National Unification Board.

Since South Korea has already proposed the resumption of Joint Nuclear Control Commission meetings, the Seoul government will not make another proposal.

But if North Korea resumes its negotiations with the IAEA, the government will study the possibility of making a new proposal for dialogue, officials said.

Furthermore, if transparency of the North Korean nuclear issue is guaranteed, Seoul will actively support peaceful use of nuclear energy by North Korea. South Korea would also support improvement in North Korea's relations with Japan and the United States, the officials said.

But if North Korea does not carry out its agreements with the United States reached in Geneva, South Korea will coordinate closely with the international community to work out appropriate countermeasures, they said.

Song Yong-tae, vice unification minister, said that Seoul would not be restricted by the form of South-North dialogue, if it could help resolve the North Korea nuclear issue.

"We have agreed to push a South-North dialogue in a forward-looking manner once North Korea-IAEA negotiations reopen," he said.

"But if North Korea does not fulfill its agreement with the United States, we have to provide appropriate countermeasures."

"The countermeasures need not necessarily be restricted to possible sanctions by the United Nations Security Council," he said. "They could include other action."

Song dismissed a move by North Korea to get assistance from the United States to introduce light-water nuclear reactors as a precondition for the resumption of talks on the nuclear issue.

UN Envoy Discusses DPRK Nuclear Issue

SK1808074193 Seoul YONHAP in English 0730 GMT 18 Aug 93

[Text] Seoul, Aug. 18 (YONHAP)—The U.N. Security Council believes that North Korea-U.S. high-level talks are progressing in a positive direction and that Pyongyang has not yet done anything to undermine the negotiation process, Yu Chong-ha, South Korean ambassador to the global organization, said Wednesday.

The council was positive about North Korea's demand for aid in modernizing its nuclear reactors since the transformation would require full scrutiny if its existing nuclear facilities, Yu told a press conference.

The ambassador returned home Tuesday [17 August] to brief Foreign Minister Han Sung-chu on the North Korean nuclear issue and U.N. agenda before next month's General Assembly.

While South Korean media had not been kind to the results of the Pyongyang-Washington talks, Yu said, the consensus at the United Nations was that the talks were a success.

The United States was able to deliver a clear-cut position to North Korea, and Pyongyang agreed to talk with the International Atomic Energy Agency (IAEA) about full-scope inspection and with Seoul for inter-Korean nuclear inspection, Yu said.

The U.S. message had apparently reached North Korea as "the results of a recent IAEA inspection's team trip to North Korea showed that Pyongyang has not betrayed its agreement with the United States" on further production of plutonium, he said.

Security Council members were positive about converting North Korea's graphite-moderated reactors to more expensive but safer light water reactors, the envoy said.

"This would require a complete test and inspection of current North Korean nuclear facilities by outsiders," Yu told reporters.

"Light water reactors use nuclear fuel imported from other countries, so the inflow into North Korea can be checked through the supplier," he explained.

While the nuclear problem would be solved within two to three years, providing light water reactors would take anywhere between seven to 15 years.

"North Korea just cannot use the reactor conversion issue as a delaying tactic," said the envoy.

Yu brushed aside any possibility of compromise by Washington on North Korea's nuclear issue.

"U.S. policy toward North Korea's nuclear situation is based on its nuclear non-proliferation scheme," he said. "There can be no compromise.

"Even if Washington appears perhaps too overbearing at times, its position is firm," he said.

Ministry Institute Views DPRK Nuclear Issue

SK1808050293 Seoul THE KOREA TIMES in English 18 Aug 93 p 2

[Text] North Korea will be desperate about improving relations with the United States by the end of this year to solve its economic crunch and to escape diplomatic isolation, a research report has said.

South Korea has established diplomatic relations with the major allies of North Korea, including Russia, China, Vietnam and eastern European nations, while Pyongyang has failed to normalize relations with Seoul's allies, including the United States and Japan, the report noted.

Amid mounting pressure by the international community to accept access to two suspected nuclear facilities, North Korea decided to withdraw from the Nuclear Nonproliferation Treaty (NPT) on March 12 this year.

With the leverage of the nuclear issue, North Korea has successfully held two rounds of high-level talks, squeezing several concessions from the United States, the IFANS said in the report on North Korea's recent diplomacy and the prospect for its foreign relations.

IFANS is the Institute of Foreign Affairs and National Security affiliated to the Foreign Ministry.

It said that Pyongyang does not seem to have made a final decision whether to give up its nuclear development program to escape international isolation.

Behind the indecision lies the difficulties facing North Korea in developing nuclear weapons because of its worsening economic situation and pressure from outside, it added.

Top North Korean leaders also seem uncertain whether they will be able to win satisfactory results in negotiations with the United States such as guarantees of non-intervention in its political system in return for abandoning the nuclear program, the report said.

In this connection, it is highly likely Pyongyang will stick to the nuclear development to maintain its regime. Even if it is unable to overcome economic and technological difficulties, North Korea is expected to push ahead with the program for the time being to sustain its dictatorial regime, it said.

But it is highly probable that North Korea will be able to improve relations with the United States if it gives up the

nuclear program and abides by the agreement reached at the Geneva talks last month.

Otherwise, North Korea would be unable to avoid international sanctions amid isolation from the world, it said.

But the report forecast that it will take at least one year to find out the extent of the North Korea's nuclear development program through negotiations.

The report argues that inspection by the International Atomic Energy Agency (IAEA) of the two suspected facilities in Yongbyon should be conducted along with inter-Korean inspections although it will take much time prior to the Washington-Pyongyang negotiations on improvement of bilateral relations.

But the institute urged the government to prepare efficient economic sanctions against the North along with strengthened cooperation with international community including the United States in case Pyongyang intends to prolong the settlement of the issue.

The institute also stressed that China's cooperation will be important in achieving tangible results from economic sanctions against the North.

If North Korea continues to push ahead with its nuclear program, the government should put emphasis on a security-oriented diplomacy rather than a unification-oriented one, it added.

The government will also need comprehensive measures based on an in-depth analysis of probable changes in the Northeast Asian strategic environment in connection with the heightened threat from North Korea's nuclear weapons, readjustment of the U.S. military presence in Korea and the build-up of military spending by South Korea and Japan. It noted that the government should take a progressive attitude towards improvement of relations by North Korea with the United States, Japan and other Western nations when a breakthrough to the nuclear issue is reached.

But the report noted that relations with the United States and Japan should lead to the same between South and North Korea.

The quintet ad hoc cooperation system among South Korea, the United States, Japan, China and Russia formed in efforts to resolve the North Korean nuclear problem should be developed into a multilateral security dialogue or cooperation system to solve regional security issues.

Israeli Envoy Denies Aid Discussed With DPRK
SK1808113893 Seoul YONHAP in English 1124 GMT
18 Aug 93

[Text] Seoul, Aug. 19 (YONHAP)—Israel never discussed economic assistance or diplomatic normalization

with North Korea in return for a halt to missile sales to the Middle East, its ambassador to Seoul Asher Na'im said Wednesday.

Israel met with North Korea for the first time last October without telling South Korea or the United States "to see what it would lead to," said Na'im in an interview with YONHAP at his ambassadorial residence.

Seoul and Washington, "not happy" as Na'im put it at Israel's separate channel of negotiation with Pyongyang, reacted immediately, and Tel Aviv gave prior notice to the two allies before the second meeting in Beijing in June.

But Washington said it will address the missile sale issue with Pyongyang and that it is better to act together than separately, "and we accepted that," the ambassador said, emphasizing that talks with North Korea will stop for now.

The first meeting was arranged by "an American businessman," according to Na'im, who relayed to the Israeli Government that North Korea was willing to talk with Tel Aviv.

"It was a dialogue between the deaf," Na'im said of the two sessions.

"Israel talked about North Korea's missile sales. North Korea talked about economic assistance, developing mines and other things. We said can we first talk about this (missile sales). They didn't answer," he said.

North Korea, even as it was contacting Israel for further talks through its embassy in Beijing Aug. 11, is believed to have shipped its upgraded Soviet Scud missiles to Syria, most likely destined for Iran.

"North Korea is an adversary of Israel, it is friends of those who don't like Israel," the envoy said.

The two countries never discussed diplomatic normalization or scale of economic assistance, he said, "we never reached that."

The Israeli Government, after the Aug. 11 message from North Korea for further talks, announced it is breaking off the contact on promise that Washington would do its part in resolving the issue of missile sales to countries hostile to Tel Aviv.

Seoul has not been too happy with the developments and had repeated Israel "should not rush too quickly in this," according to Na'im.

Asked if Israel will resume talks with Pyongyang if the latter agreed to halt missile sales, the ambassador avoided a direct answer, saying "I cannot address 'if' questions."

"The main problem is how Israel can act but still be within the consensus of the west," Na'im told YONHAP, "we don't want to appear to have broken ranks with our allies."

ROK Mission To Begin Road Work in Somalia

*SK1408085593 Seoul YONHAP in English 0808 GMT
14 Aug 93*

[Text] Seoul, Aug. 14 (YONHAP)—South Korean Army Engineers in Somalia for peacekeeping operations [PKO] plan to begin their official duty next month of road construction and pavement, the Defense Ministry said Saturday [14 August].

A 240-strong engineers corp. arrived in the African country last month for South Korea's first participation in the UN PKO mission. They will be building a 430-km road from Mogadishu to Beled Weyne.

The construction blueprint is ready and the final plan will be decided on Sunday after full negotiations with the UN headquarters there, the ministry said.

The project will be divided into three separate sections, first for 100km from Mogadishu to Jowhar, then 169km from Jowhar to Buldo Berde and the last 161km from Buldo Berde to Beled Weyne near Somali border with Ethiopia.

If the project is launched from Sept. 1 as scheduled, the road will be completed by end of next year or March 1995 at the latest, according to the ministry.

Construction Minister Departs for PRC

*SK1708032893 Seoul YONHAP in English 0251 GMT
17 Aug 93*

[Text] Seoul, Aug. 17 (YONHAP)—Construction Minister Ko Pyong-u left for China on Tuesday morning with a nine-member delegation at the invitation of his Chinese counterpart, Hou Jie.

During a three-day stay in China, Ko and Hou will discuss in detail cooperation in construction between the two countries.

China plans large construction projects such as dams, subways, expressways and housing in which Korean companies hope to take part. The projects are part of China's bid to host the 2000 Olympic Games in Beijing.

Ko will also attend the ground-breaking ceremony for the Tianjin Industrial Complex.

The 369,000-pyong complex is solely for South Korean companies and the Korea Land Development Corp. is leading in building it. It will house 100-150 Korean factories when it is completed.

ROK, China Fail To Agree in Aviation Talks

*SK1808105293 Seoul YONHAP in English 0934 GMT
18 Aug 93*

[Text] Beijing, Aug. 18 (YONHAP)—South Korea and China had their third-round aviation talks here in Beijing Wednesday morning, but failed to reach any agreement due largely to difference in the point of air control transfer between the two countries.

At the meeting, Korea held fast to the 124 degrees of east longitude as the point of transfer, a point which was decided by the International Civil Aviation Organization (ICAO) in 1960.

But, China demanded 125 degrees, arguing they could not accept the 1960 ICAO decision on the ground it was made with the participation of Taiwan.

Yu Pyong-u, Korea's Foreign Ministry director-general for Asian affairs, said after the meeting, "our side's firm policy is that we cannot sign a bilateral aviation agreement in breach of international aviation rules."

He said the two countries, however, neared an accord on many other disputed items, adding they decided to resume the meeting at an early date for the conclusion of an aviation agreement.

Yu's Chinese counterpart at the talks was Ke Deming, deputy director of the China Civil Aviation Administration.

Seoul, Taiwan To Set Up Representative Offices

*SK1808001793 Seoul YONHAP in English 0001 GMT
18 Aug 93*

[Text] Taipei, Aug. 18 (YONHAP)—South Korea and Taiwan will each establish an office of private representatives in the other's capital in October, more than a year after the two countries severed diplomatic ties, Korean diplomatic sources said Wednesday.

These sources, all of whom declined to be identified by name, said work to form the representative office was at the final stage and that it would start converting various official accords between the two countries into private ones.

Taiwan wants to give priority to agreements on civil aviation and on farm trade, the sources said.

One of the reasons for them is that Taiwan's airlines, which are facing increasing business difficulties, hope to find additional routes to serve.

Another reason is that Taiwanese fruit growers had a bumper crop this year and government officials are trying to find international markets for imports to protect local fruit growers, the sources said.

The sources said, however, the establishment of the private representative office could be delayed if administrative processes are delayed or unforeseen difficulties crop up in renewing private accords.

Nevertheless, Taiwan's Foreign Minister confirmed Wednesday that the two countries would be able to set up the representative office in two to four months.

Seoul, Russia To Discuss Former Legation Site

*SK1808013393 Seoul YONHAP in English 0024 GMT
18 Aug 93*

[Text] Seoul, Aug. 18 (YONHAP)—South Korea and Russia hold their second round of talks in Moscow next week on settling a property dispute over the former Russian legation, valued at more than 300 billion won (about 370.8 million U.S. dollars), Foreign Ministry officials said Wednesday.

While the first round focused on presenting legal evidence and building each side's case, next week's three-day meeting will be more on finding a "political compromise," said Ham Myong-chol, deputy director-general of the Treaties Bureau, who will be leading the Seoul delegation.

Moscow occupied some 6,200 pyong of land in Seoul while Korea was a Japanese colony, but completely withdrew in 1946. South Korea nationalized the land in 1970.

Moscow insists that the property was diplomatic premises and that Seoul breached international law by nationalizing it.

The dispute was forwarded by Moscow after diplomatic normalization in 1990.

The Vienna Convention stipulates that a host country is responsible for respecting and protecting diplomatic premises, but does not specify how long this responsibility remains valid.

The real estate, half of which is now a park, is valued at over 300 billion won at current market prices. Russia is demanding restitution for the sector transformed into a park and return of the remaining land.

Seoul debates its responsibility for safeguarding the diplomatic premises expired after the legation staff pulled out of Seoul, and at least by 1948, when the South Korean Government was established.

"The debate will never end if we look at this matter strictly and only from a legal perspective, especially if we don't want to take this to the International Court of Justice," said Ham.

"We will be concentrating more on out of court settlement," he said.

Joint Chiefs of Staff Chairman To Visit Russia

*SK1608014693 Seoul HANGUK ILBO in Korean
16 Aug 93 p 23*

[Text] Yi Yang-ho, chairman of the Joint Chiefs of Staff [JCS], will make an official visit to Russia with a 10-day schedule beginning 12 September, it was learned yesterday.

A relevant government official said, "The JCS chairman's visit to Russia is made based on the agreement between the two countries on the exchange visit of the JCS chairmen following the visit to Moscow by Song Yong-sop, first vice chairman of the JCS, at the end of July last year, which was followed by the visit to Seoul by Kokoshin, first deputy defense minister of Russia." He added, "The JCS chairman's visit to Russia can be taken as a sign for full-fledged military exchange between the two countries."

The government official said that the JCS chairman's visit to Russia, however, does not mean that the two countries will cooperate in the defense industry.

Paper Analyzes Japanese-DPRK Relations

*SK1808000493 Seoul CHUNGANG ILBO in Korean
17 Aug 93 p 3*

[Article by reporter O Yong-hwan]

[Excerpts] Since the Morihiro Hosokawa cabinet was inaugurated, various high-ranking Japanese Government officials have successively made remarks favoring improved relations between Japan and North Korea. Therefore, how Japan's policy toward the Korean peninsula and relations between Japan and North Korea will change is of great concern to people.

Their remarks are noteworthy because they have made those remarks ever since the ROK Government declared open diplomacy with Japan. This has challenged the prediction that relations between Japan and North Korea will not improve radically unless the North Korean nuclear issue is resolved. In the meantime, such a prediction was based on the fact that the new Japanese Government has stated that it would inherit the Liberal Democratic Party's [LDP] foreign policy.

The LDP regime started negotiations to establish diplomatic relations between Japan and North Korea in January 1991. The negotiations were later suspended because of the North Korean nuclear issue. During the ROK-Japanese summit talks in November 1992, Japan supported the ROK's position that mutual inspections are essential for the resolution of the North Korean nuclear issue.

However, Hata, deputy prime minister and foreign minister, expressed his "willingness to improve relations with North Korea" on 17 August. On 11 August, Chief Cabinet Secretary Takemura said that he "hoped for the early improvement of relations with North Korea." It is

difficult to say that this indicates a fundamental change in Japan's policy toward the Korean peninsula. Still, this means that something is going on for a change.

The Hosokawa cabinet has in it a few factors that may contribute to a change in Japan's North Korea policy.

First of all, many people who are pro-North Korea or have a good understanding of North Korea were appointed to the cabinet.

They are Hajime Ishii and the six cabinet members from the Social Democratic Party of Japan.

Lawmaker Ishii is the Japanese side's chairman of the Dietmen's League for the Promotion of Japan-[North] Korea Friendship. Also, leading a large delegation composed of 26 lawmakers and 350 regional council members, he visited North Korea and "called for" the early establishment of diplomatic relations between Japan and North Korea.

His boss, Hata, is the foreign minister. Therefore, one has good reason to think that he will exert a strong influence on Japan's policy toward North Korea.

The Social Democratic Party of Japan has 70 Diet seats, the largest among the parties in the coalition. Therefore, it has the most number of cabinet ministers. It will surely exert a strong influence on Japan's policy toward North Korea. Even though it has recently changed its policy, the Social Democratic Party of Japan had recognized only North Korea all along. [passage omitted]

Upon inauguration, the new government said: "The Pacific war [World War II] is a war of aggression and a wrong war." It also expressed its intention to repent and make an apology for the war in the form of a Diet resolution. Such a belated repentance is something to welcome, and what Japan will do with regard to this issue is a matter of concern. This may mean a change in Japan's policy toward North Korea.

Kil Sung-hum, a politics professor at Seoul National University, said: "The matter concerning the past history was an important agenda item, along with the nuclear issue, during the eight rounds of negotiations to establish diplomatic relations between Japan and North Korea." He also said: "Japan's repentance will lead to a resolution of the issue concerning compensation and will help achieve a breakthrough in improving relations between the two countries."

The final factor is economic. Japan is North Korea's second biggest trading partner and has served as an important channel for North Korea's acquisition of commodities. If relations are normalized, Japan can have economic benefits by sending companies to invest in North Korea and fulfill its goal of enhancing its position in Asia. North Korea, on its part, has shown a conciliatory gesture toward the new Japanese Government. North Korea had denounced the Miyazawa regime for its nuclear policy, Japan's imports of plutonium, and the comfort women issue. Even now with the Hosokawa

regime in power, North Korea is strongly denouncing only the Miyazawa regime over the comfort women issue.

This is sufficient enough for one to predict that if signs emerge for the resolution of the nuclear issue and if the new Japanese regime achieves stability, Japan will be very busily moving to improve relations with North Korea.

Kim Yong-sam Fires Secretary for Receiving Fees *SK1708023093 Seoul YONHAP in English 0204 GMT 17 Aug 93*

[Text] Seoul, Aug. 17 (YONHAP)—President Kim Yong-sam fired Yi Chung-pom, a grade three-level presidential secretary for petitions and information, on Tuesday for accepting a contingent fee of 1 billion won while on the presidential staff.

Although he may have earned the money, Yi had brought into question the morals of the government, which made probity a national priority, a Chongwadae official said.

His dismissal reflected President Kim's determination for reform, the official said.

Yi and his legal partner received a fee for winning a lawsuit as agreed in the contract. Of his 1 billion won, Yi returned 400 million won and reported 600 million won to the government in the registration of assets.

Chief of Presidential Staff Pak Kwan-yong asked Senior Secretary for Petition and Information Kim Yong-su to get Yi's resignation early Tuesday morning.

"Yi's dismissal is not a matter of illegality, but a moral problem that went against the oath of a public servant and the reform determination of the new government," presidential spokesman Yi Kyong-chae said.

"It is true Yi took on the law case in question before he joined Chongwadae," he said.

Born in Umsong, North Chungchong Province, Yi finished his course at the Judicial Research and Training Institute in 1988 and became a lawyer. He supported President Kim's election campaign last year by inaugurating an interest group called Young Society Group and was handpicked as a secretary in the new government.

Kim Yong-sam Urges Railway, Airport Projects *SK1808101593 Seoul YONHAP in English 0826 GMT 18 Aug 93*

[Text] Seoul, Aug. 18 (YONHAP)—President Kim Yong-sam said on Wednesday [18 August] that the Seoul-Pusan high-speed railway and Yongjong-to international airport projects would be pushed ahead of schedule.

The government would initiate other public works projects to stimulate the economy, he told a luncheon for the nation's top business leaders in his first encounter with them since announcing the real-name system on Aug. 12.

Present were Choe Chong-hyon, chairman of the Federation of Korean Industries [FKI], Kim Sang-ha, president of the Korea Chamber of Commerce and Industry [KCCI], Pak Sang-kyu, chairman of the Korea Federation of Small Business, Pak Tong-chan, chairman of the Korea Employers' Federation, and Ku Pyong-hoe, vice president of the Korea Foreign Trade Association [KFTA].

Kim asked the business community to cooperate for the early settlement of the real-name system, saying there was a strong national consensus.

Big businesses should find ways to help small- and medium-sized companies as they were hardest hit by the new system, he said.

The KCCI president, saying the real-name system had come much sooner than he expected, called for a quick start to public works projects such as the high-speed railway and the new airport, and cuts in value added taxes to stimulate the economy.

The KFTA vice president said 4 trillion won in state-controlled funds should be transferred to banks so they can increase aid to small- and medium-sized businesses.

The FKI chairman called for special assistance to small businesses in financial difficulty, cuts in interest rates and easier access for businesses to the capital market.

On Tuesday, President Kim had dinner with Samsung group chairman Yi Kun-hui to solicit his cooperation in the early settlement of the real-name system.

A source said Yi had presented his view of the system, as well as its expected adverse effects and measures to counter them. What this view was is not known.

The business community expected Kim to meet the heads of other business groups individually, he added.

Board Plans for Former Presidents' Silence

SK1808082493 Seoul YONHAP in English 0749 GMT
18 Aug 93

[Text] Seoul, Aug. 18 (YONHAP)—The Board of Audit and Inspection (BAI) decided Wednesday that if the two former presidents refuse to reply to its questionnaires on suspected irregularities during their administrations, their silence will be regarded as a tacit admission of the points that the BAI has raised to them.

The BAI has sent a questionnaire to Former President Chon Tu-hwan on alleged exaggeration of the North Korean threat of flood attacks and the construction of the so-called Peace Dam to counter the threat.

It has also submitted a set of questions to Former President No Tae-u in connection with suspected irregularities involving the Yulgok military buildup program, particularly his administration's decision to switch the type of Korea's mainstay fighter aircraft from McDonnell Douglas' F/A-18 to General Dynamics' F-16.

BAI Secretary-General Hwang Yong-ha said that the BAI was seriously studying what measures it could take if the two did not respond to its questionnaires or if they provided answers that did not make any sense.

Stressing that he was expressing a private opinion, Hwang said the BAI would regard either of the cases as tacit admissions of the truth of the points raised in the questionnaires.

Hwang thus hinted that the former presidents' replies would not make much difference in the BAI's process of arriving at its own conclusion of the two affairs.

Asked if there would be another round of investigations if the replies were not good enough, Hwang said he thought it would be unnecessary.

The BAI is expected to make simultaneous announcements on the results of its investigation on the Peace Dam and the Yulgok program on Aug. 31.

Informed sources said the BAI has found eight unjustifiable facts in the Peace Dam construction and more than 10 illegal and wrong actions in the Yulgok program.

But in the Yulgok program, there would not be any military officers suspected of receiving kickbacks or payoffs, they said.

Seoul University To Readmit Student Activists

SK1508054193 Seoul THE KOREA HERALD in
English 15 Aug 93 p 3

[Text] Starting this fall semester, Seoul National University will allow the readmission of student activists expelled from the school between 1972 and 1992 but were unable to meet the five-year deadline for applying for reinstatement, a school spokesman said yesterday.

Deans of the state-run university got together Thursday and decided on the move which is in line with an Education Ministry announcement last month to reinstate students ejected from the school for their involvement in "political incidents," he said. A change in the school regulations will permit such expelled students to reenter if they apply for readmission by January 1995, he added.

The number of students who are eligible for readmission amounts to 175, and among them are such prominent figures as Chang Ki-pyo, a renowned dissident, Rep. Won Hye-yong of the Democratic Party [DP] and Pak U-sop, DP's vice spokesman, he said.

Trade Deficit Drops 52.5 Percent Jan-Jul

*SK1808013493 Seoul YONHAP in English 0034 GMT
18 Aug 93*

[Text] Seoul, Aug. 18 (YONHAP)—South Korea's trade deficit shrank 52.5 percent in January-July to under 3 billion U.S. dollars as exports grew and imports fell, the Korea Customs Administration said Wednesday.

Exports on a customs clearance basis grew 6 percent in the first seven months of the year to 45.64 billion dollars, while imports sank 1.2 percent to 48.48 billion dollars.

The trade deficit was slashed to 2,845 million dollars, down by 3,148 million dollars from the same period last year.

Exports and imports in July were 6,693 million dollars and 7,193 million dollars, respectively, up 5.4 percent and 0.5 percent.

The July deficit of 500 million dollars was 38 percent, or 307 million dollars, off from a year earlier.

While heavy chemical exports soared 12.5 percent to 28.55 billion dollars in January-July, shipment of light industry goods dropped 5.1 percent to 13.98 billion dollars.

By country, Korea saw surpluses of 4,188 million dollars with Hong Kong and Singapore, 717 million dollars with China, and 180 million dollars with the United States, but ran deficits of 5,171 million dollars with Japan and 836 million dollars with members of the European Community.

Government To Furnish Funds to Small Industries

*SK1608121593 Seoul YONHAP in English 1129 GMT
16 Aug 93*

[Text] Seoul, Aug. 16 (YONHAP)—The government on Monday [16 August] decided to earmark 620 billion won to small industries financially hard-pressed following the introduction of the real name financial transaction system last week.

The fund is in addition to the 383 billion won it set aside last Friday for small industries.

The 620 billion additional won breaks down to 300 billion won in emergency operation funds, 200 billion won in emergency business stabilization funds for small firms employing less than 20 workers, and 120 billion won for use in discounting commercial bills.

Small industries have virtually had no access to bank loans and their only easily available fund source had been private loans made in the form of discount of commercial bills.

With the introduction of the real-name system, however, most private lenders have suspended business in fear of their money being exposed to tax authorities.

Meanwhile, the Finance Ministry has decided to operate an ad hoc team comprising government, banking and trust surety institution officials to check and resolve difficulties facing small industries following the introduction of the real name system.

Farming Enterprises Allowed To Own More Land

*SK1808074493 Seoul YONHAP in English 0635 GMT
18 Aug 93*

[Text] Seoul, Aug. 18 (YONHAP)—The government would allow large farming enterprises to own up to 300,000 pyong of arable land each from July next year, the Agriculture, Forestry and Fisheries Ministry said Wednesday.

The government would also allow a farmer to expand his land up to 60,000 pyong from the current maximum of 30,000 pyong, ministry officials said. One pyong equals 3.3 square meters.

The plans were contained in a revised law on farm land, calling for strengthening of competitive power of Korean farmers at a time when farming is becoming a large-scale industry.

The officials said the ministry planned to table the revised legislation to the National Assembly after holding public hearings on it. The ministry hopes to put it into effect from next July.

Under the proposed law, those who are not living on the farm, or who are not engaged in farming but inherit more than 3,000 pyong of farm land, shall be required to sell land in excess of the 3,000 pyong within a year.

Owners of farm land in excess of 3,000 pyong prior to enactment of the revised law shall be allowed to keep their land.

The new law will scrap an old provision that requires a buyer to live in the farm for more than six months before acquiring the land. It will thus make it easier for prospective farmers to purchase farm land.

The government would simplify the process of selling farmland to convert it into a site for industrial plant, the officials said.

Burma

Singapore Economic Delegation Arrives 16 Aug

*BK1608145393 Rangoon Radio Burma in Burmese
1330 GMT 16 Aug 93*

[Text] A high-level Singaporean economic delegation of 59 members, led by Commodore Teo Chee Hean, minister of state for finance and communications, arrived in Yangon [Rangoon] by air at 1235 this afternoon.

The delegation was welcomed at Yangon airport by Brigadier General Abel, minister of national planning and economic development; Thura U Aung Htet, director general of the Ministry of Foreign Affairs Protocol Department; responsible personnel; and Singapore Embassy officials.

The Singapore minister of state for finance and communications and delegation called on Lieutenant General Tun Kyi, member of the State Law and Order Restoration Council and minister of trade, at the Sapphire Hall of the Inya Lake Hotel at 1500. They held frank and cordial talks on bilateral economic matters. Also present at the meeting were Deputy Trade Minister Colonel Aung Thaung and responsible personnel.

Later, at 1600, the visiting Singaporean minister and entourage called on Brig. Gen. Abel, minister of national planning and economic development, at the Jade Hall of the Inya Lake Hotel. Responsible personnel from the departments and organizations under the Ministry of National Planning and Economic Development also attended the meeting, where talks were held on foreign investment and economic cooperation matters.

Next, at 1700, the visiting Singapore minister of state for finance and communications and delegation called on Brig. Gen. Win Tin, minister of finance and revenue, at the latter's office. Also present were responsible personnel from the Ministry of Finance and Revenue. At the meeting, cordial and frank talks were held on economic and banking matters.

In the evening, No. 1 Industry Minister Lt. Gen. Sein Aung hosted a dinner in honor of Commodore Teo Chee Hean, Singapore's minister of state for finance and communications, and members at the Inya lake Hotel. Trade Minister Lt. Gen. Tun Kyi hosted a dinner in honor of Mr. Allan Yeo, chairman of the Singapore Trade Development Board, and members at the People's Park Restaurant. Brig. Gen. Abel, national planning and economic development minister, hosted a dinner in honor of Singaporean Member of Parliament Mr. (S. Chandra Das) and party at Karaweik Hall.

Shan State Region-6 Delegate Gives Report

BK1808052593 Rangoon Burma Television Network in Burmese 1530 GMT 13 Aug 93

["Excerpts" of the report belonging to the special invitee delegate group read and presented by U Aung Kham Ti,

delegate from Southern Shan State Region-6, at the plenary session of the National Convention held at the President's House compound in Rangoon on 13 August—recorded]

[Text] [U Aung Kham Ti] Mr. chairman, Panel of Chairmen, and national convention delegates, it has been more than seven months since we have been formulating and discussing matters to ensure an excellent present and future for our state and the more than 40 million sons and daughters of the state. First, I would like extend my best wishes for the well-being of all the colleagues, who have pure and genuine goodwill.

I am U Aung Kham Ti, a delegate representing the special invitee group from Special Region-6, Southern Shan State. At this plenary session of the National Convention, I will read and present the following suggestions prepared by our group for the chapter called fundamental principles of the state.

1. Myanmar [Burma] is a sovereign state, which shall be named and called Republic of Union of Myanmar.
2. The Republic of Union of Myanmar is the state where all the national races unitedly reside together.
3. The territory of the state that includes the land mass, water, and air shall be as stated in the constitution on the day of its ratification.
4. A. The Republic of Union of Myanmar shall be formed with 14 regions with equal status and rights, and the regions shall be named and called according to the names agreed upon by the national races.
B. If necessary, appropriate self-administered areas shall be prescribed and formed in these regions.
C. The citizens residing in the region shall rename their region with suitable names.

Explanation: A. It means that there are 14 regions in the Republic of Union of Myanmar and the national races residing in these 14 regions shall name and call their regions according to their desire and will. Nine out of 14 convention delegates from the special invitee group took part in the discussions on the principle that the Republic of Union of Myanmar shall be formed with 14 regions with equal status and rights, while four delegates discussed maintaining the present seven states and seven divisions. One delegate discussed the reorganization of the present 14 states and divisions [seven states and seven divisions] into self-administered areas or states with equal status.

B. This means that the self-administered areas will be specified, if necessary, due to the significant situations and characters in these 14 regions.

C. This means that the citizens residing in these 14 regions have the right to rename the present names of their regions.

5. The regions included in the Republic of Union of Myanmar shall not secede from the Union under any circumstances.

Explanation: This means that no region included in the Republic of Union of Myanmar shall secede from the Union for any reason and that the regions are to strive for the existence of the Union as a whole.

6. The constitution of the Republic of Union of Myanmar shall be based upon the three Lawkapala [eternal] principles of justice, liberty, and equality and the genuine multiparty democratic system.

7. The Republic of Union of Myanmar shall practice the presidential system.

Explanation: The president is the leader of the Republic of Union of Myanmar. It can be seen that the prime ministerial system of administration cannot function effectively and efficiently for the development of the state. That is why the presidential system, which will effectively function for the benefit of the people, is presented as a fundamental principle.

8. The sovereign power of the state shall prevail throughout the country.

9. The sovereign power of the state shall lie with the people, including all the national races.

10. Legislative, executive, and judicial power shall be distributed and practiced separately.

11. The three powers of the state—legislative, executive, and judicial powers—shall be distributed and exercised by the respective organs.

12. A. There shall be two assemblies—People's Assembly [pyithu hluttaw] and Nationalities Assembly [lunmysu hluttaw] in the Republic of Union of Myanmar.

B. There shall be a legislative assembly [ubaday pyu hluttaw] in each member region of the Union.

13. The Defense Services representatives nominated by the commander in chief of the Defense Services shall be included at different levels of the legislative assembly.

Explanation: It has been stated that in accordance with the sixth objective [of the National Convention which is for the Defense Services to be able to participate in the national political leadership role of the future state], the Defense Services representatives nominated by the commander in chief of the Defense Services at the different levels of the legislative assembly shall participate and carry out national duties.

14. While practicing a presidential system with full power in the state, executive power shall be shared and exercised among the center, regions, and regional organs such as self-administered areas.

15. In the state administrative mechanism, the Defense Services representatives nominated by the commander in chief of the Defense Services shall be included from the central to the district level.

Explanation: It has been stated that in accordance with the sixth objective [of the National Convention] the

Defense Services representatives, nominated by the commander in chief of the Defense Services, shall participate and serve in the administrative sector from the central to the district level.

16. On matters concerning the state judiciary, courts shall be formed in the center, regions, self-administered areas, districts, and townships.

17. No criminal law shall have a retrospective effect.

18. Courts shall not hand down any sentences that will tarnish and denigrate human dignity.

19. No one shall be sentenced more than once for the committed offense.

20. Fundamental principles in judicial matters shall be: to administer justice independently, in accordance with law; to adjudicate in an open court unless otherwise prohibited by law; and to guarantee the right of defense and the right of appeal.

21. Concerning the constitution, the highest court shall be given power to make a judgment on disputes stemming from misinterpretations [of terms] or there shall be a constitutional court.

22. As it is a firm and solid force and one grown out of the seed of national politics, the Defense Services shall be included to serve in the national political leadership role of the future state.

Explanation: In the history of national politics, the Defense Services have safeguarded the country many times and have managed to obtain the country's independence. It is also standing as a firm and solid national force. It has safeguarded the country during the times when the state was about to lose its sovereign power. There is evidence that it has always sacrificed its life for the benefit of the country and it has also good traditions. That is why, it has been stated that the Defense Services shall be included to serve in the national political leadership role of the future state.

23. The commander in chief of the Defense Services shall be the leader of all the armed organizations in the Republic of Union of Myanmar.

Explanation: The Defense Services is the legitimate armed organization in the Republic of Union of Myanmar. The leader of the Defense Services is commander in chief of the Defense Services. It means that any armed organizations in the state are under the commander in chief of the Defense Services.

24. The Defense Services shall have a right to manage its own affairs.

Explanation: It has been stated that all the affairs concerning the Defense Services shall be managed, administered, and handled independently by the Defense Services without interference.

25. The Defense Services shall safeguard the three national objectives—nondisintegration of the union, nondisintegration of national solidarity, and perpetuation of national sovereignty.
26. The commander in chief of the Defense Services shall appropriately manage and handle matters concerning the armed peacekeeping force [nyeín gyanye íetnet kaing tat phwe] in the special regions.
27. The war veterans in the state shall be considered a reserve force for the Defense Services.
28. All citizens shall learn basic military skills.
29. All citizens, during a specified period, shall serve in the defense of the state.
30. All citizens shall have freedom of religion. Religion shall not be used in politics.
31. In accordance with the law, all national races in the state shall have full freedom of religion and the full right to nurture, develop, speak, write, and to publish their treasured literature, language, culture, and tradition. The state shall provide assistance for the continuation and development of these literatures, languages, cultures, and traditions.
32. A. In the eyes of the law, all citizens shall be equal regardless of race, religion, social status, and sex.
B. All citizens shall have equal opportunity.
C. In accordance with the law, all citizens shall have the right to inherit.
33. The state shall take responsibility and carry out multipronged development in the regions where development is lagging behind. The state especially shall take responsibility for the security of life and shelter, economy, education, health, and social affairs of the national races residing in the border regions and for the improvement of transportation in the regions.
34. A. If required skills are met, all citizens shall have the right to engage in any kind of enterprises, regardless of the place and region. All citizens shall have equal rights to work regardless of race, religion, social status, and sex.
B. All citizens shall be entitled to the fruits of their labor on an equal basis.
35. Within the prescribed law of the state, all citizens shall have the freedom of expression, and the right to organize, form, write, publish, gather peacefully, march, and demonstrate.
36. Respecting and observing the state constitution and other laws shall be the basic responsibility of all citizens.
37. Payment of taxes levied in accordance with the law shall be the basic responsibility of all citizens.
38. The necessary laws to carry out these responsibilities shall be promulgated together with restrictions to fully ensure the freedom and rights prescribed in this constitution.
39. In accordance with this constitution and other respective laws, all citizens shall have the right to elect the people's representatives. The citizens shall also have the right to be elected.
40. In accordance with the respective laws, citizens shall have the right to revoke the responsibility of elected people's representatives.
41. The elected people's representatives shall report to their voters. After seeking the wishes of the voters, the elected people's representatives shall take appropriate action.
42. The state shall practice a genuine multiparty democratic system.
43. There shall be a right to form political parties in accordance with the prescribed laws, rules, and regulations.
44. In accordance with the provisions in the constitution, the commander in chief of the Defense Services shall have the right to take and exercise the power of the state should there be a situation in which the three national objectives—nondisintegration of the union, nondisintegration of national solidarity, and perpetuation of national sovereignty—are being affected, disturbed, and endangered.
45. In accordance with the provisions in the constitution, there shall be a right to amend the constitutional provisions if necessary.
46. A. The state is the original owner of all land and natural resources above the ground, underwater, underground, and in the atmosphere.
B. In accordance with the provisions in the constitution, natural resources shall be shared and used through coordination among the center, regions, and organs in self-administered areas concerned.
C. For the benefit of the state and people, natural resources shall be mined and used in cooperation with citizen entrepreneurs from the private sectors, entrepreneurs from domestic and foreign joint ventures, cooperative enterprises, and regional organs under the supervision of the state.
47. The state shall practice an independent national economic system based on a market-oriented economy.
48. To strengthen development of the national economic system, the state shall incorporate the following economic forces in its implementation.
- A. state level
 - B. regional organizational level
 - C. cooperatives societal level
 - D. domestic and foreign joint venture level and
 - E. private sector level
49. The state shall form a National Economic Council to strive to achieve the objective of an independent national economy.

50. The state shall provide assistance for uniform development in the self-administered areas and in the regions inhabited by national races where there is slow development.

51. The state shall coordinate and work with regional organs for the implementation of business enterprises by specifying special economic zones.

52. The state shall implement the national economic system by establishing industrial enterprises in the regions with good potential for natural resources.

53. The state shall open the opportunity to facilitate the acquiring of business techniques and industrial and scientific technologies that will allow and boost the development of national economy.

54. The state shall strive to give necessary guarantees to improve domestic and foreign investments, which will enhance the economic development of the state.

55. The state shall assist in striving to transform the manual agricultural sector into a mechanized agricultural sector. The state shall provide assistance for the improvement of the industrial sector according to circumstances and acquisition of the needed technology, industrial equipment, investment, raw materials, and experts. The state shall also provide assistance to ensure the availability of water for farming.

56. The state shall support the necessary research and development to be carried out independently for the agricultural and industrial sectors. The successful experts shall be awarded appropriately for their inventions. [The state] shall work to patent their innovations.

57. The state shall strive with utmost efforts to provide full primary school education to all children who have reached the age to attend.

58. To upgrade the standards of education, health, sports and physical education, the state shall strive to support the national races and to form respective committees.

59. To instill and develop patriotism in children, the state shall support the teaching of Myanmar culture and arts, civics, and the constitution as subjects.

60. To upgrade arts and science, and industrial and medical technologies to world standards, the state shall strive to bridge the standards between Myanmar education and international education.

61. The state shall practice an independent, active, and nonaligned foreign policy. The state shall work for world peace and friendly relations with countries. The policy of peaceful coexistence shall be practiced.

62. The state shall always protect and safeguard the interests and rights of the peasants as well as physical and mental workers.

63. The state shall strive for a pleasant workplace, to upgrade living standards, to ensure the guarantee of a

right to life, and the welfare of the public service personnel. The state shall strive to ensure that retired public service personnel live comfortably with adequate food, clothes, and shelter.

64. The public service personnel shall be completely clear of party politics.

65. For the successful implementation of state enterprises, the state shall carry out the selection and training of public servants in acquiring experts.

66. The national races residing in the respective regions shall be given priority in the selection and appointment for the needed public service personnel in the major regions and self-administered areas, or in the regions.

67. The state shall strive for youths to develop and nurture five kinds of strength, to have a strong moral foundation, to strengthen their patriotism, and to have the right outlook.

68. The state shall protect and safeguard the interests and rights of children.

69. Women shall obtain the same rights as men in employment. Women shall have the right to receive the salary for the pre- and post-natal period. They shall have the right to send their children to day child care centers.

70. The women shall not lose their original rights by marrying a person of a different religion.

71. In the women's world, it shall be the responsibility of the mass of women to keep patriotism alive, to have the right philosophy, and to continue to wear traditional clothes.

72. For the benefit of the state and people, the state shall prescribe and practice a strong and stable monetary policy and fundamental monetary principles.

73. These fundamental principles are guidelines for defining the provisions in this constitution and other provisions.

Mr. Chairman: Our special invitee group has obtained the aforementioned 73 basic principles that are to be included under the fundamental principles of the state by working with great patience, tolerance, seriousness, unity, and pleasure. I conclude here by saying that we hope and believe that these 73 basic principles are good principles and indispensable for prescribing the fundamental principles of the state to be enshrined in the state constitution. [applause]

More Political Party Delegates Present Reports

BK1708135193 Rangoon Burma Television Network in Burmese 1530 GMT 13 Aug 93

["Excerpts" of the reports of U Khun Sein Win of the Union Pa-O National Organization, U Ti Hkun Kyin alias U Ti Jong Gan of the Shan State Kokang Democratic Party, and U Maung Maung Htay of the Mro, or

Khami National Solidarity Organization presented at the plenary session of the National Convention held at the President's House compound in Rangoon on 13 August—recorded]

[Excerpts] [passage omitted on reports presented by U Sai Nyunt Lwin of the Shan Nationalities League for Democracy and U Tun Yi of the National Unity Party]

[U Khun Sein Win] Esteemed Mr. Chairman, panel of chairmen, chairman and members of the National Convention Convening Commission, chairman and members of the National Convention Convening Work Committee, and national convention delegates: I respectfully wish you all health and happiness. I am U Khun Sein Win of the Union Pa-O National Organization [UPNO]. I am honored to be able to participate in the discussions at this historic and auspicious convention to prescribe basic principles for drafting the constitution.

In accordance with the various changing situations, this should guarantee the nondisintegration of national solidarity, and the nondisintegration of the union, a provision for a union nation with states of equal status in justice, freedom, and equality. From these regions self-administered areas will be formed as needed.

The past constitutions of the Union of Myanmar [Burma] had the president as the head of state. The president played a figurehead role, and although the prime minister is said to hold real power, there was always a possibility for a no-confidence motion against the prime minister as he was responsible for the parliament.

A provision should be included to implement the presidential system of administration for the present Myanmar.

I would like to discuss the separate use of the three sovereign powers—legislative, administrative, and judicial, to prevent the emergence of a dictatorial system. If there is no coordination in the use of the three sovereign powers it could hamper the development of the country. That is why there should be a separate and coordinated use of the three sovereign powers.

There are two administrative systems that are used in the world—a presidential system and a parliamentary system. In a parliamentary system of administration in which the prime minister is responsible for the parliament there is no freedom for him to carry out his administrative duties. Moreover, with no-confidence motions, there are frequent changes in government causing political instability, which in turn hampers the country's development. That is why a presidential system of administration should be used.

I would like to discuss the military's role. The Defense Services is a united national force, and in times of crises it has always taken the responsibility of safeguarding the nation and enforcing law and order apart from its original duties. I would like a provision for the Defense

Services, which is involved in such national politics, to have representatives included at every level of legislature and administration. According to Myanmar history, there were instances in which the Defense Services was threatened with disintegration due to political rivalry. If the Defense Services disintegrates, the country will also disintegrate with the loss of national sovereignty. That is why the head of all armed organizations will be the commander in chief of the Defense Services. There is a great need to have a strong and modern defense service to defend and safeguard the Union of Myanmar and the defense service should have the freedom to administer and amplify the defense service.

The commander in chief of the defense service should be allowed to exercise state power if emergency situations threaten the three national objectives—the nondisintegration of the union, the nondisintegration of national solidarity, and the perpetuation of national sovereignty. [passage omitted on traditions]

Mr. Chairman: Our Union Pa-O National Organization [UPNO] suggests that the following should be considered as basic principles.

1. The Union of Myanmar [Burma] should be formed with states or regions equal in status.
2. The Union of Myanmar should have a president with full administrative powers of a head of state.
3. The three sovereign powers of legislature, administrative, and judiciary should be separated.
4. There should be a bicameral system in the Union of Myanmar.
5. The Union of Myanmar should have a presidential system of administration.
6. The judiciary should have a high court and state or regional courts.
7. To have military representatives included at every level of legislature and administration.
8. The commander in chief of the defense service should be appointed as the head of all armed organizations.
9. To allow the defense service to freely administer its affairs.
10. To allow the commander in chief of the defense service to exercise state power if emergency situations arise.
11. The union should implement the use of a free-market economic system.
12. All citizens should have free medical care.
13. To prescribe an education system that will help develop the youth from all sides.
14. To safeguard the lives and rights of peasants and workers.

15. For the welfare of public service personnel and retirees.

16. Women should have equal work opportunities as men.

17. There should be freedom to practice one's faith in the Union of Myanmar.

18. The freedom to develop the religion, language, literature, culture, and traditions of the national races.

19. To practice an independent foreign policy and safeguard the principles of peaceful coexistence with striving for world peace and good neighborliness.

With this, I conclude my report. [applause]

[U Ti Hkun Kyin alias U Ti Jong Gan] Esteemed Mr. Chairman, panel members, and national convention delegates. I am U Ti Hkun Kyin alias U Ti Jong Gan from the Shan State Kokang Democratic Party [SSKDP]. I wish all delegates health and happiness. [passage omitted on explanations on border development and natural resources]

Mr. Chairman: Although many national races reside in one state they differ in language, culture, and traditions, and in some cases even religion. Due to these differences, a provision should be included for self-administered areas and national regions in the states.

Mr. Chairman: A union is formed with states. Therefore, in forming the future democratic Union of Myanmar, a provision on the states should continue to be included.

Mr. Chairman: Since we are providing for the rights of the citizens, we should also deal with the responsibilities and duties. The citizens should have the following responsibilities.

1. Everyone should have compulsory military training, which is needed to defend the country, and serve at least three years.
2. Taxes should be paid regularly.
3. Everyone has a duty to have a compulsory national education.
4. Defend the natural environment, defend and safeguard natural resources on land, sea, and air.

Mr. Chairman: A provision should be made for class and mass organizations like the youth, women, peasants, workers, religious and social, war veterans, disabled, cultural, and fine arts organizations not to be influenced by political parties.

Mr. Chairman: A provision should be provided that the sovereign powers of the state lies with the people and that sovereign power or political power should not be taken by force. The sovereign powers should be obtained by the people's mandate after an election held in accordance with democratic principles.

Our party's 20 basic principles are as follows.

1. The defense policy of the union.
2. Foreign relations policy.
3. Economic policy of the Union of Myanmar.
4. Education policy of the Union of Myanmar.
5. Tradition and literature policy of the national races.
6. Development policy for hill regions and border regions.
7. Policy for freedom of religion.
8. Policy for the formation of a democratic union state.
9. Policy for the protection of the union's environment and the extraction and utilization of the union's natural resources.
10. Policy for the right to form mass organizations.
11. Policy prescribing the states and the self-administered areas.
12. Policy granting citizens' rights and protection of those rights.
13. Policy regarding responsibilities of citizens.
14. Policy concerning firearms.
15. Policy for taking action against offenders of (?democratic rights).
16. Policy concerning public service regulations.
17. Policy regarding responsibilities of mass organizations.
18. Policy of having Union Parliament, Nationalities Parliament, and executive councils in self-administration.
19. Policy of political parties.
20. Policy recognizing the sovereign powers of the state.

The above-mentioned policies to be included as basic principles are frank suggestions from our party's viewpoint, and suggestions from the national convention delegates and responsible personnel are also welcome. Thank you all. [applause]

[U Maung Maung Htay] The report of the Mro, or Khami National Solidarity Organization [MKNSO] presented at the plenary session of the national convention for drawing basic principles to be included in drafting the constitution.

Esteemed Mr. Chairman, panel of chairmen, and national convention delegates. I am U Maung Maung Htay, national convention delegate representing the MKNSO from Mrauk-U Township, Arakan State. I wish all delegates health and happiness. I am honored to be able to present the report concerning the basic principles to be included in drafting the constitution at this auspicious and historic national convention. The basic principles for clarity's purpose are divided into politics, national races, economics, social, defense, and foreign affairs.

The basic principles: Politics;

1. The state is a union democratic state that guarantees the fundamental rights of all the national races.
2. The state will be known as the Republic of the Union of Myanmar.
3. We must always strive for the nondisintegration of the union and the nondisintegration of national solidarity.

4. Special preference should be given for the socioeconomic development of the undeveloped national races.
5. The state will safeguard the livelihood of the entire populace.
6. The state will utilize an honorable multiparty system and will include a definite basic principle for the development of a multiparty democratic system.
7. The state will have a bicameral system with the people's assembly and a nationalities parliament. The people's assembly will be elected by township while the nationalities parliament will be elected by nationalities.
8. The sovereign power of the state will lie with the people.
9. The union parliament, which is elected in accordance with the desires of the people, will receive the sovereign power from the people and will exercise and delegate the power in accordance with the constitution.

National Races;

1. All national races in the state will have equal rights including the right to decide its own future.
2. The state will form self-administered areas for the national races to have full regional autonomy.
3. The self-administered areas of the national races will not be controlled by any other state. They will be centrally controlled and will have reciprocal links with the central (?government).
4. If the self-administered areas are adjacent to each other, and if they have the same race and traditions they will have the right to combine.
5. The national races will be able to use, prescribe, (?print), and publish their literature based on the language they desire in accordance with its traditions. They will have the right to inheritance.
6. In judiciary matters, the national races will have the right to prescribe laws and by-laws in accordance with traditions and cultures.

Economics;

1. The economy of the state, which is suitable for regional purposes, should be based on the free national economic system.
2. There should be public, cooperative, and suitable private sectors in the economy.
3. The state should allow farmers to own the land they cultivate, and priority should be given to agricultural production and rural development.

Social Affairs;

1. All citizens will be equal by law and will have equal religious and other rights regardless of class or gender. They will also enjoy the fruits of their own labor.
2. The state will strive for the equal development of education, health, and culture.
3. The state will nurture the development and welfare of the youth from all sides.
4. No criminal laws will be retroactive.
5. No punishment that abases human dignity will be given.

6. The state will provide a compulsory primary and middle school education for the national races in the undeveloped townships and regions.
7. The state will provide suitable assistance and free livelihood training for disabled war veterans. The state will look after families of deceased servicemen and orphans of war.
8. The state will allow legal resignation of workers and public service personnel.

Defense Affairs:

1. The defense of the country is a very noble task. For effective defense and security measures the state will have only one defense service comprising army, navy, and air force. The importance of the role of the defense service according to historical tradition will be greatly recognized.
2. Taking lessons from past history, there should be no political interference and influence over the armed organizations including the defense service. The commander in chief of the defense service is the commander in chief of all armed organizations in the country.

Foreign Affairs;

1. The state will implement an independent and active foreign policy, abide by the rules of the United Nations Charter, and practice the principles of peaceful coexistence.

Esteemed Mr. Chairman: There were democratic changes in Myanmar, and according to political situations a crisis erupted in 1988. At the present, peace, prosperity, and national solidarity are very important for a genuine democracy to flourish. That is why, for the development of a genuine democracy, for the people to have the opportunity to use the sovereign power in whom it was originally vested, and to determine self-administration matters of the national races in accordance with eternal [lawkapala] principles of justice, freedom, and equality, I present the above-mentioned basic principles to be included in the drafting of the new constitution for the future Union of Myanmar. [applause] I thank all convention delegates.

Brunei, Malaysia & Singapore

Malaysia

Abdullah Previews Mahathir's Visit to Thailand

BK1608055493 Kuala Lumpur BERNAMA in English
0411 GMT 16 Aug 93

[Text] Kuala Lumpur, Aug 16 (OANA-BERNAMA)—Prime Minister Dr. Mahathir Mohamed's official visit to Thailand from Thursday will spearhead the implementation of strategies for the Indonesia-Malaysia-Thailand growth triangle project.

Foreign Minister Abdullah Ahmad Badawi said the prime minister would hold talks with his Thai counterpart, Chuan Likphai, on ways to carry out the strategies.

Other issues of mutual interest such as boundary demarcation will also be discussed, he said on Sunday.

Abdullah said the meeting would result in new ideas and directions to improve Malaysia-Thai relations.

It is important for neighbours like Malaysia and Thailand to keep close touch on developments in the region and enhance joint efforts for the betterment of the people, he added.

Mahathir: Country May Build Rockets 'One Day'

BK1608111593 Kuala Lumpur BERNAMA in English 1013 GMT 16 Aug 93

[Text] Kuala Lumpur, Aug 16 (OANA-BERNAMA)—Prime Minister Dr. Mahathir Mohamed Monday said it was not impossible for Malaysia to build rockets for space travel one day.

He said those building rockets now were not extraordinary but just human beings with much more experience than Malaysians.

About 100 years ago, even they were only as capable as people who were not highly civilised. We also can (achieve that), he said in an interview here.

Dr. Mahathir was asked whether he was confident the quality of Malaysian workers would enable the country to grow into a better producer, or at the least compete strongly with other producers.

He said he believed that given adequate time, the people could acquire the efficiency and knowledge necessary to enhance their capability.

In this connection, he said, the government always trained the people to enhance their capability and experience in any endeavour.

He also said that the experience of others could be harnessed and improved on to progress more quickly.

This would eventually enable the people to master technology, no matter what the extent of its sophistication, he said.

Asked what he thought was most important in getting the people to pool their efforts to ensure all their plans succeeded, Dr. Mahathir said he felt that it was knowledge.

We cannot act effectively without understanding what we are doing, what the gains will be and what the results will be, he said.

Singapore

Deputy Premier Resigns To Run in Elections

BK1308155593 Singapore Singapore Broadcasting Corporation in English 1100 GMT 13 Aug 93

[Summary from poor reception] Mr. Ong Teng Cheong has resigned as deputy prime minister and as member and chairman of the People's Action Party to stand in the presidential elections. The resignation takes effect from Monday the 16th.

In a letter to Mr. Ong, the prime minister commented on Mr. Ong's resignation. He said Mr. Ong is eminently qualified to become president in view of his experience and ability, sound political judgment, and personal integrity.

Goh Outlines Four Employment Strategies

BK1808061993 Singapore THE STRAITS TIMES in English 16 Aug 93 p 1

[By Sumiko Tan]

[Text] The prime minister last night outlined four strategies to help Singapore tackle the problem of low-skilled workers losing their jobs and to take advantage of the challenges thrown up by an increasingly competitive world.

He also warned in no uncertain terms that if Singaporeans did not upgrade their skills, they would be left behind in the global scramble for investments and jobs.

Mr. Goh Chok Tong made these points at his third annual national day rally at Kallang Theatre.

Spelling out his agenda for seeing the country into the 21st century, he listed these strategies for success:

Investing in education. He presented figures which showed that compared to developed countries, Singapore still had some catching up to do in terms of education.

To become a developed nation, it needed highly educated people at the top and as many well-educated as possible at all levels who could operate sophisticated industries.

Immigration of talent. This must continue as they were an important source of talent and had made a critical difference to Singapore. A Hong Kong or Indian entrepreneur who settled here could create hundreds of well-paying jobs for Singaporeans.

Giving Singaporeans a direct stake in the country. This would be done through ownership of Singapore Telecom shares and the sale of HDB [Housing and Development Board] shophouses and hawker stalls.

Programmes to help poor Singaporeans raise their standards of living and upgrade themselves.

The government will set up a scheme to help parents with low incomes and education levels provide a good home environment for their children to do well in school.

Under the Small Families Improvement Scheme, up to \$26,400 in housing grants and education bursaries will be paid out over a period of up to 20 years to poor families to encourage them to have no more than two children.

Dressed in a batik shirt and dark trousers, Mr. Goh looked relaxed as he addressed his 1,700 audience at Kallang Theatre.

Speaking in Malay, Chinese, and then English, he used charts to illustrate his arguments and peppered his three-hour speech with anecdotes, which were received with applause.

He began his English speech by detailing how global competition had shifted from politics to economics.

The Asia-Pacific [region] had become an area of "enormous vitality" and the most important transformation was taking place in China. India, too, was reentering the global economy as were Vietnam and Indonesia. Together these four countries had 2.3 billion people or 42 percent of the world's population.

Singapore businessmen, he said, were well-positioned to take advantage of the opportunities of these countries.

But while the Asia-Pacific [region] was burgeoning, the West faced problems of chronic unemployment even when their economies were growing. Welfare policies were also sapping the government coffers.

This was bad news for Singapore whose economy was currently tied to the United States and Europe. However, he noted that Singapore was lucky as it could ride on the growth of its neighbours and develop its second wing quickly.

But the stronger the economies of the Asian countries the more they will compete with Singapore for investments and jobs.

At this point, Mr. Goh reiterated that Singaporeans should globalise to different countries, not just China.

Addressing concerns raised in some quarters about the "China fever" in Singapore, he said Singapore-China links were based on business and not kinship.

Singapore would always remain a multicultural, multi-religious society.

While his assessment of the next few years was bright because of the vigour in the region, the prime minister noted that Singapore faced two major challenges in the longer term: stronger competition for investment and changes in the economy as jobs moved to other countries.

He likened economic competition to a sumo fight: "You throw one sumo wrestler out of the ring, there is another one waiting for you, and sometimes bigger, much bigger than you are."

Rising competition from neighbouring countries would make it harder for Singapore to attract foreign investments.

He recounted how Singapore had failed to attract a large American producer of computer memory disks. Instead, the firm located in Penang and invested \$80 million over five years.

But he took what happened as a good lesson. "In a way, this loss was good for us. It jolted us and warned us of the tougher competition ahead."

Not only was it becoming more difficult to attract investments, but it now also required a larger amount of investments to create an additional job in the manufacturing sector than it did in 1980.

On the problem of firms relocating, he said some jobs here would be lost as industries moved to areas where costs were lower.

This was already happening in Hong Kong. For example, Cathay Pacific Airways had relocated its data processing centre to Guangzhou and was planning to move its main computer centre to Australia.

He urged workers to make the effort to upgrade their skills so that they could take on new jobs and used himself as an example: "It is hard to think of retraining, I know. At 52 years old, I am spending more than eight hours a week learning Mandarin and Malay. And I can tell you it is tough."

But he hoped that others his age would make the effort to acquire the skills they needed to take on new jobs.

"Don't be caught like many workers in the West who have not been retrained and whose jobs are gone forever," he said.

Skills upgrading would fight the problem of income disparity, he added.

Noting that there had been recent concern about the widening income gap, he gave figures which showed that gaps have narrowed.

But, he cautioned "this is up to now." If globalisation continued, the gap between the earnings of the top 20 percent and the bottom 20 percent would widen. The key, then, to reducing this gap was skills, knowledge, and ability.

Concluding, Mr. Goh pointed out that social cohesion was what was special to Singapore. "It will give us that extra edge over competitors."

He urged Singaporeans to share the fruits of their prosperity among as many Singaporeans as possible and ended on this optimistic rallying note:

"We must maintain Singapore's success beyond the founding generation and do even better than the founders did. Then 21st-century Singapore can be even better than 20th-century Singapore. This is our biggest challenge today. I am sure that we will succeed. I can feel it in my bones."

Cambodia

Ranariddh To Visit Singapore Without Hun Sen

BK1808072693 Hong Kong AFP in English 0706 GMT 18 Aug 93

[Text] Phnom Penh, Aug 18 (AFP)—The Cambodian Government announced Wednesday that co-premier Prince Norodom Ranariddh would make an official visit to Singapore next week—without his partner Hun Sen.

No explanation was given for leaving Hun Sen behind.

The two co-premiers, who took power in a coalition government formed in June, have already visited Laos and Thailand together, and are scheduled to visit Vietnam from Monday.

Prince Ranariddh will ask Singapore to help Cambodia in rebuilding its economy, communications infrastructure and to provide military assistance, Deputy Information Minister Ek Sereivoat said.

Thailand has already pledged military aid and training, and Cambodian officers now sport new Thai camouflage uniforms.

Ek Sereivoat also said that Hun Sen would stay home when Cambodian leaders travel to Pyongyang on August 30 to September 4 to present the newly drafted constitution to head of state Prince Norodom Sihanouk for his approval.

Prince Ranariddh will be accompanied instead by Chea Sim, the president of the Cambodian People's Party who is widely believed to control the power in Phnom Penh politics.

Government Launches Attack on Khmer Rouge Town

BK1808050493 Hong Kong AFP in English 0342 GMT 18 Aug 93

[Text] Phnom Penh, Aug 18 (AFP)—The Cambodian Government launched a pre-dawn offensive Wednesday and captured part of the Khmer Rouge's "second headquarters" in northwest Cambodia near the Thai border, a U.N. spokesman said.

The offensive was mounted with soldiers from the former Phnom Penh government, newly allied with the

Khmer People's National Liberation Front (KPNLF), the former guerrilla group that had acted as a front for the Khmer Rouge to receive foreign aid during the 13-year civil war.

Fighting continued into the morning as Cambodian Armed Forces troops captured part of the town of Phum Chat, in Thmar Puok district, U.N. spokesman Eric Falt said.

The Khmer Rouge's second-in-command, Ieng Sary, was spotted in Phum Chat in May, according to U.N. officials interviewed there.

The town is divided by a reservoir, with a village on one side and a Khmer Rouge military logistics base and munitions storage area on the other. Falt said it was unclear which part of Phum Chat had been occupied by the Cambodian Army.

Government Refuses KR Request for Talks

BK1808070093 Hong Kong AFP in English 0650 GMT 18 Aug 93

[Text] PHNOM PENH, Aug 18 (AFP)—The Cambodian Government said Wednesday it could not hold the round-table discussions requested by the Khmer Rouge because its co-premiers Prince Norodom Ranariddh and Hun Sen were too busy.

The Khmer Rouge requested the talks to be held next week during a Tuesday meeting with deputy information minister Ek Sereivoat, and similar requests addressed to head of state Prince Norodom Sihanouk and Cambodia's co-premiers were read over the Khmer Rouge clandestine radio.

"The Khmer Rouge told me that they would like to join the Cambodian united army with no pre-conditions," Ek Sereivoat said.

However, he said, the talks requested by the faction could not be held August 22 to 25, because the Cambodian co-premiers were scheduled to make an official visit to Vietnam. After that, Prince Ranariddh was planning to go to Singapore for another official visit August 26-28, leaving Hun Sen behind.

"The government is very busy," Ek Sereivoat said.

The Khmer Rouge are coming under heavy pressure from a large-scale government offensive in northwest Cambodia.

The deputy minister said the Khmer Rouge had apparently come under pressure also from "powerful countries including China," the former backers of the Khmer Rouge during the civil war, forcing them to make concessions.

The radicals previously demanded that they be made members of the interim coalition government and that their armed forces ally with, but remain separate from, the newly allied Cambodian Army. The Khmer Rouge's

previous offer had been refused by the co-premiers, who said the Khmer Rouge could integrate fully into the armed forces but not maintain a separate command structure.

The Khmer Rouge refused to participate in U.N.-organized elections in May, and have since then demanded that the royalist FUNCINPEC party be given full control of the government and that they be given a role to play as well.

But Information Minister Khieu Kanhariddh warned that the Khmer Rouge would be given no role at all if they continue fighting in the battlefield.

The government is in the middle of a large-scale offensive in three northwestern provinces, which it claims is retaliation for continued Khmer Rouge attacks.

Analysts and diplomats have speculated that the Khmer Rouge were continuing their attacks in a bid to negotiate more power in the Cambodian Government, but Khieu Kanhariddh made it clear that the Khmer Rouge strategy would backfire. "The advisory role will also be rejected by the government if the Khmer Rouge do not stop fighting us," he said.

General: Government Offensive 'Huge Success'

BK1808080093 Hong Kong AFP in English 0738 GMT 18 Aug 93

[Text] PHNOM PENH, Aug 18 (AFP)—A Cambodian Armed Forces general said Wednesday that the offensive against the Khmer Rouge [KR] in the northwest was "a huge success" because weakened Khmer Rouge guerrillas were not offering much resistance.

"When we send in just a small group of soldiers, they just run away and don't fight heavily," he told AFP on the condition that he not be identified. "The Khmer Rouge are not like before," he said. "They are very weak."

The general said the government aimed to cut off main supply routes and logistics bases for the guerrillas in order to put a stranglehold on forces in the center of the country.

"We only want to capture places where the Khmer Rouge have been troubling us," he said. Young recruits did not want to fight anymore and were defecting to the government in large numbers, he said.

About 80 had defected last week, and of 54 who were captured, 34 were released after promising to lay down their weapons, he said.

"The Khmer Rouge are having a lot of internal problems at the moment. Recruits do not want to listen to the hardliners and do not want to fight," the general said. "That's why the government has released an appeal for them to join us under a general amnesty. We will guarantee their survival."

The general said four Cambodian Armed Forces soldiers have been killed since the offensive began in Kompong Thom on August 8, moved to Siem Reap on August 11 and continued in Banteay Meanchey on Wednesday.

He had no figure of the number of Khmer Rouge killed. "These offensives have been a huge success," he said.

Sihanouk Informed of Proposed Roundtable Dates

BK1708014593 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 16 Aug 93

["Message from His Excellency Khieu Samphan, chairman of the Party of Democratic Kampuchea and member of the Supreme National Council, to His Royal Highness Prince Norodom Sihanouk, head of State and chairman of the Supreme National Council;" place not given; dated 15 August—read by announcer]

[Text] To His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council:

Revered Your Highness, I wrote to Prince Kromluong Norodom Ranariddh, cochairman of the Provisional National Government of Cambodia, on 15 August 1993 asking him to convene a roundtable meeting of Cambodian leaders, that is, Prince Kromluong, His Excellency [H.E.] Hun Sen, H.E. Son Sann, and me in compliance with Your Highness' lofty initiative.

I would like to be permitted to forward the copy of the letter to you for your information.

Your Highness, please accept my deepest respectful and affectionate sentiments.

[Dated] 15 August 1993.

[Signed] Khieu Samphan, chairman of the Party of Democratic Kampuchea and member of the Supreme National Council.

DK Spokesman: Two Vietnamese Soldiers Captured

BK1808014493 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 17 Aug 93

["Communique of Democratic Kampuchea's Spokesman on the Capture of Two Vietnamese Aggressor Soldiers in Chikreng District, Siem Reap Province"; dated 17 August—read by announcer]

[Text] 1. A few days ago, 300 Vietnamese aggressor forces wearing the uniforms of Vietnam's puppet troops arrived in Kompong Thom and another 400 in Siem Reap by roads and rivers.

2. Since 12 August these Vietnamese aggressor troops have taken part with the forces of the Phnom Penh side in carrying out attacks in Stoung and Kompong Svay

Districts in Kompong Thom Province. They have been carrying out attacks in Chikreng District, Siem Reap Province, since 15 August. In these assaults, Vietnamese Army commanders communicated through radio with their colleagues and also with puppet army commanders in a north Vietnamese dialect. We have many clear recorded tapes of these Vietnamese voices.

3. Vietnamese aggressor troops and those of the Phnom Penh side attacked, shelled, and burned many people's villages. Hundreds of families were killed or wounded in these few days. Hundreds of thousands of families who escaped the attacks and killings by Vietnamese aggressor troops and those of the Phnom Penh side have taken refuge in the jungles. These attacks by the Vietnamese aggressor troops and those of the Phnom Penh side are very brutal and savage. They are atrocities committed against Cambodians.

4. In the attacks, the National Army of Democratic Kampuchea and the people captured two Vietnamese soldiers in Chikreng District, Siem Reap Province. These two Vietnamese aggressor soldiers were seriously wounded and could not escape.

According to preliminary answers, the two Vietnamese war prisoners are from the 9th Division of Vietnam's 7th Military Region. They were dispatched from Tay Ninh, Vietnam, on 7 August. Some of these Vietnamese troops were dispatched by roads and some by the Tonle Sap river. These two Vietnamese soldiers also say that there are hundreds of Vietnamese soldiers already in the area, although they are not sure about the exact numbers. Some are Vietnamese soldiers already serving as puppet troops while others live as construction workers and bicycle and motorcycle mechanics. These workers are all former soldiers who used to fight in Cambodia. They are the reserve forces on the spot that can be readily gathered when needed. These two Vietnamese soldiers also say that they were ordered to fight in Cambodia for one month, during which they were to be paid \$30. Upon their departure they were given \$10 with the promise of another \$20 after the one-month period of fighting in Cambodia. However, this money would not be given in dollars but in Vietnamese dong.

These two Vietnamese war prisoners also say that they do not want to fight in Cambodia; they want to earn a living and to look after their parents and families who are suffering in Vietnam. These few dollars and dong cannot feed them and their families; instead, they would perhaps die. However, they were forced by the Hanoi Vietnamese state authority to fight in Cambodia.

This is clear evidence to show that the Cambodian people have seen with their own eyes the Vietnamese aggressor troops carrying out attacks and have captured these soldiers with their own hands. No one can deny these attacks by the Vietnamese aggressors against the people.

5. All the above clearly shows that the Vietnamese aggressors, a number of puppet leaders, and their allies

are opposed to national reconciliation in accordance with the Prince Father's plan because they want to continue meddling in Cambodia at will and because they want to cover up old and new Vietnamese aggressor forces and Vietnamese aggressor troops in order to continue propping up Vietnam's military and civilian puppet state authority.

6. Therefore, only by implementing the national reconciliation plan of His Royal Highness Prince Norodom Sihanouk, head of state, can the Cambodian problem be solved and can we move toward national reconciliation and peace with independence, sovereignty, and territorial integrity in Cambodia the way it was before 1970.

[Dated] 17 August 1993

[Signed] Spokesman of the Party of Democratic Kampuchea

Indonesia

Suharto Delivers Independence Day Speech 16 Aug

BK1708073193 Jakarta TVRI Television Network in Indonesian 0316 GMT 16 Aug 93

[Speech by Indonesian President Suharto on the eve of Independence Day before the House of Representatives plenary session in Jakarta—live]

[Excerpts] In the name of God, the Compassionate and Merciful! Honorable speaker, vice speakers, and members of the House of Representatives! Honorable delegates and invitees! My compatriots! Peace be upon you!

Tomorrow morning, we all will commemorate the anniversary of the declaration of our independence—the most historic day for the Indonesian people. Our minds are focused on the long journey of our nationhood on the eve of the moments of the declaration of independence, which we will together recall tomorrow morning. [passage omitted]

Let us recall our past experience as a nation. We should learn a good lesson from our past successes and failures to continue our journey in the coming years. We should foresee our hopes and concerns in the coming years as a nation determined to achieve the goals of our independence. Let us renew our determination to do what we have in mind! Let us avoid things of which we are apprehensive! With this attitude, we will not be easily tempted to become arrogant if we are successful. On the other hand, we will not quickly lose our hope or self-confidence if we have shortcomings or fail. We realize that our struggle to become a great nation will never be separate from continued reforms. All of this has become more important because we will enter the take-off period next year. History shows that some nations have succeeded in entering the take-off period, while others have failed. As a fighting nation, we are determined to succeed

in entering the take-off period. We do not want to fail to enter the take-off period. [passage omitted]

In the political field, we are determined to uphold a constitutional and democratic life on the basis of the rule of law. We must have confidence in and respect for the duties and authority of our constitutional institutions. We will have confusion without this basic attitude. Without this, we will plunge ourselves into disasters caused by a minority tyranny or a majority dictatorship. In this respect, differences in opinion are legal in our national and state life. Differences in opinion should not degenerate into hostilities or divisions. Differences in opinion should instead become a force to achieve a better consensus for the sake of our interests. But, there is one thing by which we should firmly abide. Differences in opinion should be settled in a democratic and constitutional manner to achieve this consensus. We should pay greater attention to the legal development in anticipation of a dynamic [word indistinct]. Legal development is absolutely necessary to give clear norms for a dynamic society and development programs in all fields. This is really a great task. Many colonial laws must be replaced by national ones. Our task is to make philosophically correct and politically acceptable laws in accordance with our cultural values. These laws must be enforced by our law enforcement officers. The 1993 broad outline of state policies requires us to enhance the quality of the Indonesian people in the next 25 years. This means that we must create conditions and opportunities to develop our initiatives and creativity.

Thanking God, we notice that Pancasila democracy is becoming more dynamic at the national or local levels. Our citizens are increasingly aware of their rights and obligations. As they are fulfilling their obligations, they are simultaneously demanding their rights as well. With dual functions, the Armed Forces of the Republic of Indonesia [ABRI] continues to contribute to national stability. By firmly adhering to their oath, the ABRI personnel consistently refresh democratic and constitutional life. We all believe that the ABRI will continue to contribute in such a way to our nation during the take-off era. Simultaneously, sociopolitical forces, mass organizations, legislative, and other state bodies are increasingly aware of their respective missions and functions. All are implementing their respective duties. Indeed, we are steadily implementing the Pancasila democracy in the broad sense of words. We will continue to refresh our current reforms during the take-off period. In the administrative field, we will expand the decentralization process and emphasize regional autonomy on second-level regions. We will continue to improve administrative management to achieve greater effectiveness and efficiency. In the political field, we will further expand openness and develop political ethics and morality. In the economic field, we will continue deregulation and debureaucratization efforts in addition to enhancing the balanced and mutually supporting role of private businessmen, cooperatives, and economically weak businessmen. By continuing these efforts, we believe that we

will succeed in overcoming the challenges and exploiting new opportunities lying before us during the take-off period.

Honorable Speaker, Vice Speaker, and members of the House of Representatives! The endeavors which are currently being undertaken by us will be continued in our effort to face oncoming challenges and seize the vast opportunities open to us amid the rapid and ever changing world. The administration of our active and independent foreign policy, which is in accordance with the broad guidelines of our state policies, is foremostly directed toward national development. In the meantime, we continue to strive for the just settlement of various issues of deep concern to humanity such as the issues of Palestine, Cambodia, Bosnia-Herzegovina, Somalia, the abolition of apartheid in South Africa, the arms race, the restructuring of the United Nations. We deeply realize that genuine peace will not materialize if there are still inequalities and backwardness everywhere in the world.

We continue to further widen cooperation among ourselves toward achieving greater progressive development in our respective countries through ASEAN. Through the spirit of ASEAN, people in this region are enjoying a perpetually peaceful and stable situation. That situation has continuously remained as such since the grouping's inception. This situation forms an unparalleled motivation toward the development of the grouping's member countries. The world is currently undergoing great changes and facing a swift reformation. That is the reason why the world is currently in an unstable and chaotic condition. Most of these problems are of a global nature and interconnected. Thus, the settlement of these problems cannot be achieved through only temporary measures. The time has come for the North-South countries to establish fresh cooperation with regard to development and to further develop a more democratic relationship in the effort to solve global problems.

As a result of the 10th Nonaligned Movement [NAM] summit in Jakarta last year, the NAM member countries achieved an early breakthrough by urging the reactivation of a constructive dialogue between developed and developing nations based on a new structure through joint partnership, interests, benefits, and responsibilities. I personally view the G-7 [Group of Seven] summit in Tokyo held in July as a good opportunity to deliver the call made by the NAM member countries. After a lengthy consultation—through Japan's auspices as the host nation and the head of the G-7—an understanding was finally reached by the G-7 that the time has finally come for a dialogue to be held between the G-7 and the NAM. A mutual understanding was reached between the G-7 and the NAM, which is as follows:

1. Given the mandate by the the other G-7 members, Japanese Prime Minister, Kiichi Miyazawa, as the leader of the G-7, invited and met with the NAM leader.
2. The G-7 leader then met with the other G-7 members and presented the issues submitted by the NAM leader.

3. The issues, which were connected with problems facing the developing nations, were then presented by the NAM leader; following this, the G-7 leaders debated the issues.

4. The discussions concerning the issues were submitted by the NAM leader at the G-7 summit and they were reflected in the Tokyo summit.

5. The G-7 leader dispatched a special envoy to hand over the outcome of the G-7 discussions to the NAM leader in connection with issues submitted by the NAM leader.

The measures taken by the NAM within the framework of the South-South cooperation encompass the field of security, food, population, family planning, technical cooperation in health services, education, and also in other sectors.

Indonesia itself has implemented South-South cooperation through the food system. Based on concrete experience, the realization of such a desired cooperation was hampered by limited funding. Therefore, it is hoped that the industrialized nations are prepared to extend their financial assistance toward overcoming the problem of limited funds through the tripartite arrangement. The NAM member countries are facing other problems such as the repayment of foreign debts, which is practically encumbering their effort toward development. The countries involved in the foreign debt problem fall into three categories which are as follows:

1. countries which can afford to repay their debts, but their ability toward acquiring feasible development has been hampered.
2. countries which face difficulties in fulfilling their obligations in repaying their debts and,
3. countries which have no other alternative means to repay their debts.

One of the most important factors would be the willingness on the part of the industrialized nations to open their markets for exports from the developing nations in the effort to allow these countries to carry out their development process. In this connection, the Uruguay Round of talks need to expeditiously solve these problems in a fair and balanced manner so that all parties, including the developing nations, will be satisfied. These are my opinions, which I presented during the Tokyo meeting. In its declaration on economic issues concerning the developing nations, the G-7 leaders welcomed the developing nations' proposal to establish joint partnerships and the holding of constructive dialogues with regard to issues of common interest.

Meanwhile, in the effort to encourage developing nations to establish a strong foundation for continuous economic growth, the G-7 will include an overall approximation covering not only assistance, but also trade, investment, and foreign debt repayment strategies in accordance with the needs of each country during its respective

development stages. In general, the NAM leader's mission during the Tokyo summit proved to be very satisfying. The positive response by the G-7 to hold dialogues, the willingness to focus their sincere attention on solving the foreign debts incurred by the developing nations, and the need for the Uruguay Round of talks to be concluded in a just and balanced manner all point toward the initial stage with regard to the need for collective cooperation toward solving all these problems. The road to meet such a goal will definitely be a long one in our desire to establish a world free from economic upheavals. The Tokyo summit was the first historic step toward achieving new relations and cooperation between the developed and developing nations.

My compatriots! This long journey has strengthened our consciousness to realize that the main struggle is one for economic development on the basis of self-reliance. We feel proud because our economy had posted a high growth during the first four years of the fifth five-year development plan. The country achieved a 6.3 percent economic growth in 1992. Thus, annual economic growth averaged almost 7 percent during the past four years. This means that the 5 percent targeted annual growth during the fifth five-year development plan was already surpassed. The high growth has been accompanied by widespread structural changes. The industrial sector's share in the economy increases rapidly from year to year. Since 1991, the industrial sector's share in the gross national product [GNP] has surpassed that of the agricultural sector. The economy's dependence on oil has further decreased. The role of the nonoil and nongas sector in GNP, revenues, and exports continued to increase. Similarly, the people and business circles have also enhanced their role in development activities. Our successful structural reforms have greatly strengthened the resilience of our economy and served as the strong basis for future rapid growth. The positive direct impact of economic development is an increase in the number of jobs for citizens. This economic growth has increased the people's income. We are thankful to God because the Indonesian's people income continues to increase. With higher income, the people have enhanced their ability to pay for their necessities. This means that the Indonesian people improve their living standards in real terms from year to year. Economic growth achieved through the creation of jobs and higher income has also enhanced the government's ability to undertake programs directly linked to efforts to eradicate poverty. Thus, the percentage of poor people has dropped drastically although their number is still large. Rapid economic growth caused by the rapid growth of investments during the first years of the fifth five-year development plan has increased the economic temperature. Various economic policies, including deregulation and debureaucratization efforts have spurred investments. Thus, the amount of investments until the fourth year of the fifth five-year development plan surpassed the target set for the fifth five-year development plan. This has caused unfavorable side-effects like a high inflation rate, which in turn increased interest rates and imports. All of this has

affected the balance of payments. These matters will have a negative impact on economic stability if they are not properly tackled.

Accordingly, the government has pursued cautious fiscal and monetary policies over the past three years to maintain economic stability. As a result, we managed to control the inflation rate, which tended to increase, and the growing current account deficits in 1990-1991. The inflation rate in 1992 was brought down to below five percent. We will continue to keep the inflation rate in 1993 within the safe limits to ensure economic stability. The macroeconomic policies which have succeeded in reducing the inflation rate and current account deficits will be further enhanced in the future. In 1992-93, savings and loan interest rates were reduced due to various policies undertaken by the government. We realize that it is not easy to reduce the loan interest rates due to various problems facing banking circles. Thus, the government and banking circles are making gradual efforts to overcome the problem. We hope that banking credits will again increase this year and in the coming years, thus creating a favorable momentum for business circles during the sixth five-year development plan.

Just as it was during the previous five-year development plans, the country's monetary policy was based on the dynamic principles of a balanced budget during the first four years of the fifth five-year development plan. In 1992-93, domestic revenue reached 47.5 trillion rupiah, while it amounted to only 23 trillion rupiah at the end of the fourth five-year development plan. This means that domestic revenue increased more than twice during the first four years of the fifth five-year development plan. Revenue from the nonoil and nongas sector increased from 13.5 trillion rupiah in the last year of the fourth five-year development plan to 32.1 trillion rupiah during the 1992-93 or increased by two and a half times. Higher domestic revenue increased government savings. Government savings, which were just 2.3 trillion rupiah in the last year of the fourth five-year development plan, increased to 13.4 trillion rupiah in 1992-93 or increased by almost six fold in four years. This greatly demonstrated our ability to finance development programs with our own resources.

In the meantime, our international balance of payments was under control during the first four years of the fifth five-year development plan. As a whole, exports increased by an average of 15.5 percent annually. The increase was especially in nonoil and nongas exports. Rapid nonoil and nongas exports occurred in 1992-93, increasing by about 30 percent over the 1991-92 period. In 1992-93, the nonoil and nongas exports annually reached over U.S.\$2 billion. [passage omitted]

Honorable members of the House of Representatives [DPR]! Within less than a year, we will enter the second phase of the long-term development plan [PJPT II]. We should immediately implement the people's mandate that had been channeled through their representatives in the previous DPR session. Due to this, allow me to

explain the main ideas on the implementation of the development policies under the PJPT II which we will begin with the sixth 5-year development plan [Repelita].

We aim to achieve a per capita income of nearly four times the present level by the end of the PJPT II. This can be equivalent to the per capita income of the newly industrialized countries. Thus, the sixth 5-year development plan should at least begin with 6 percent per capita income per year, and it should be increased in the following Repelita. Throughout the PJPT II, economic growth is expected to be about 7 percent per year. Meanwhile, we should begin to reduce the rate of population growth by about 1.6 percent per year under the sixth Repelita to bring about 0.9 percent annual population growth by the end of the PJPT II.

These targets are very high but they are still within our reach. In view of this, we need to work hard, be determined, and intensify our efforts to achieve the objectives.

In the effort to achieve a high rate of economic growth, other development objectives should not be sacrificed—that is, to achieve an equitable distribution of development. We should continue to implement the trilogy of development. The Indonesian nation had been successful in implementing the trilogy of development over the past 25 years and it should also be successful in the next 25 years by doing likewise.

Our economic growth has to be intensified through increased productivity and improved efficiency, considering that the economic resources are becoming more limited. This should be supported by adequate manpower resources and capital. The increase in productivity and an improvement in efficiency are dependent on qualified human resources that is demonstrated by, among other things, the improvement in skill, a high creativity, discipline, capable management, and an accurate technology, as well as an effective leadership. [passage omitted]

Efficient transport and communications facilities also contribute to the high economic growth. Therefore, we badly need to continue issuing deregulation measures and debureaucratization for various sectors in an effort to create a business atmosphere, and industrial development that could cooperate with and act in harmony with all other sectors.

In the effort to reach adequately high economic growth, the 1993 GBHN [Guidelines of State Policy] emphasized that the industrial sector be the economic motor. Moreover, the industrial sector is also counted upon as the sector to absorb most of the productive labor force, and gradually replace the role of the agricultural sector. The industrial sector must continue to be developed on the basis of broader economic activities so that it will become more efficient and competitive, creating job opportunities for the very rapidly growing number of young workers, in addition to being labor-intensive. We have to widen and strengthen the industrial sector to

maintain its stability. Apart from that, the linkage between the industrial and agricultural sectors should also be boosted by developing both agro-industry and agro-business development as it would play an important role in the promotion of rural industries and simultaneously support Indonesia's efforts to alleviate poverty. Likewise, the industrial sector is also linked to the sector that exploits other natural resources, such as mining.

We should pool our own resources and strength to develop the industrial sector. Industries that rely on subsidies and protectionism should not be allowed to develop, because this is not in line with our objective of creating efficient and highly competitive industries. The development of the industrial sector is also aimed at solving urgent socioeconomic problems such as the shortage of job opportunities, poverty, and meeting the basic needs of the people. We should continue to boost the development of the medium- and small-scale industries. It is extremely important to develop rural industries to raise the incomes of people in rural areas and to absorb the labor force which cannot be employed by the agricultural sector.

Within the framework of ensuring the continuity of development programs, we should be very careful when selecting the type of industries that we want to expand. The industries should conserve energy and resources. We must promote industries using efficient, accurate, and clean technologies which do not jeopardize our environment. Meanwhile, the agriculture sector will continue to play a strategic role in the PJPT II. With the advancement of the industrial sector, the contribution by the agricultural sector to the state's gross national product is expected to decline. This sector, however, will remain the main source of livelihood. This means that even though the average productivity of workers in the agricultural sector increases, it will remain below the average productivity of other sectors. In other words, more productivity means more income, so we will continue to close the gap between the differences in income earned by workers in the agricultural sector and those working in other sectors.

The agricultural sector continues to play a strategic role in the effort to achieve self-sufficiency in food for the increasing Indonesian population. Self-sufficiency is not limited to rice, but includes all needs of the people by producing sufficient horticultural products, other foodstuffs that are sources of carbohydrates, protein, and fat. In an effort to improve the standard of living for farmers and to support the process of industrialization, the production of agricultural commodities that have high commercial values, such as horticultural products, livestock, and seafood should be encouraged and be given special attention. In view of this, cooperatives will be given more authority to act as an economic institution for farmers.

The development of the agricultural and industrial sectors has to be supported by efficient service sectors such

as communications, trade, consultation, construction, tourism, and financial services. The efficiency of this sector is significant, not only for the creation of an efficient and highly competitive economy, but for the maintenance of our sociocultural, political life and to protect national stability. [passage omitted]

Under PJPT II we will expedite the construction of facilities that support economic development such as roads, bridges, sanitation, ports, airports, electric power stations, and telecommunications. We will construct all these facilities by using our limited national budget, but these facilities will not be realized if the government's efforts do not receive adequate assistance. The people and the business circles are encouraged to participate in the construction of these infrastructure facilities. In view of this, the government will continue to protect the interests of the general public and pay attention to the needs of business interests. This is because extensive funding is required by businessmen to invest in the infrastructure facilities, but it takes a long time before they can earn dividends.

One of the most important things is the need to maintain the existing achievements. Over the period of five Repelita, many buildings, roads, and other communications networks, transportation, power facilities, factories, and many others were built. Therefore it is important that everyone pay attention to, and participate in the rehabilitation of these facilities because a large amount of money had been spent to build them. [passage omitted]

Just as in the later years of the PJPT I, in the coming years we will pay serious attention to sustaining our equitable distribution policy and the poverty alleviation program. The Indonesian nation has successfully decreased the percentage of people living under the poverty line from 60 percent or 70 million in 1970 to the present 15 percent or 27 million in 1990. Indonesia's success in achieving a sharp decrease in the number of people living in poverty within a short period has won praises from the international community. Moreover, we achieved this success at a time when the world was faced with economic recession several times, and when several developing countries were facing ailing economies. The success also came at a time when the prices of oil sharply declined due to overproduction. Oil is Indonesia's most important economic resource. We also achieved success when the values of the U.S. dollar and the Japanese yen fluctuated rapidly under the chaotic global economic situation. All development achievements should be continued.

We must intensify efforts to overcome poverty, inequitable distribution, and social imbalance under the PJPT II. In the meantime, it is important that a strong middle level of businessmen be created that will be able to integrate with small-scale business circles as well as with the established large corporations. With strong middle and small levels of business circles as the backbone of our economy, the national economy will become stronger and able to resist various kinds of instability.

Allowing cooperatives to play a leading role in our society is one of the proper ways to develop a just economy. The development of cooperatives should be promoted so that they become efficient state enterprises and capable of operating various kinds of trade. Cooperatives should play an active role in efforts to raise the living standard of the Indonesian people.

Honorable session! Our past experience shows that efforts to eradicate poverty is not an easy job. It requires endless effort. The majority of poor people are those who are unemployed or do not have full-time jobs, so their incomes are very low. Therefore, the primary step toward overcoming poverty is the creation of as many job opportunities as possible. The creation of employment opportunities will only succeed if there is adequate economic growth providing as much employment as is possible. In view of this, a relatively high economic growth with the provision of employment opportunities and the attainment of higher incomes for the people should be achieved to address the poverty problems. Likewise, a high inflation rate would cause a serious blow to the less affluent. Therefore, the government's ability to control inflation is a prerequisite for eradicating poverty.

To alleviate poverty, the government planned measures for various sectors and regions and a special program, starting in April, aimed at the country's lower class. The program is referred to as Backward Village Inpres [financial assistance by virtue of presidential instruction], and designed to intensify the sustained poverty alleviation program in the poor villages. [passage omitted]

Honorable session! Obviously, increasing development activities requires more funding. As foreign funds become more scarce, there will be stronger competition for them. We are determined to be economically self-reliant. For this purpose, greater efforts must be made to acquire more domestic funds. Government savings must grow by increasing tax revenue, getting rid of waste, and gradually abolishing subsidies. We realize, however, that economic growth and a more equal distribution of wealth must be supported by economic stability. For this purpose, the principles of cautious fiscal and monetary policies must be retained. In addition, the fiscal and monetary policies are also aimed at enhancing economic growth and a more equal distribution of wealth. Based on these basic policies, the government is drawing up a more detailed sixth 5-year development plan. By taking into account the objectives, targets, and priorities of the sixth 5-year development plan as stipulated by the 1993 broad outline of state policies, the government is making the following temporary estimates.

The economy is projected to grow by six percent in the first year of the sixth 5-year development plan and to gradually increase to over 6.5 percent in the last year of the plan. The average annual economic growth rate will be 6.2 percent. The agricultural sector is expected to grow just below 3.5 percent annually. Processing industries should grow just over 9 percent annually, while the

nonoil and nongas processing industries are projected to grow more than 10 percent annually. Services will grow at a rate below 6.5 percent annually. If this target is reached by the end of the sixth 5-year development plan, Indonesia's nominal income per capita is expected to surpass U.S. \$1,000. Increasing national savings is a prerequisite for this growth. Economic stability will be maintained consistently during the sixth 5-year development plan. The annual inflation rate is not to exceed 5 five percent. Efforts will be made to further improve the current account of the balance of payments. Thus, the deficit ratio will be maintained below 2 percent of the gross national product. Foreign exchange reserves will be maintained at a level equivalent to six months' imports. An annual increase of over 16.5 percent in nonoil and nongas exports and an increase of over 17.5 percent in manufactured industrial exports will be the key to achieving this target. The government will try to keep the debt situation within safe limits. The debt service ratio is to decrease to about 20 percent at the end of the sixth 5-year development plan. During the sixth 5-year development plan, the role of foreign commercial loans and export credits as sources of funds for the development budget will have to decrease further. The percentage of debt repayment in routine expenditures will have to decrease as well. Similarly, the role of the nonoil and nongas sector in domestic revenues will decrease. All this will reflect a stronger economy. The key to achieving this will be to increase nonoil and nongas revenue at home, including taxes. One of the prerequisites for achieving the target will be sufficient investment funds. The amount of investment needed during the sixth 5-year development plan will be twice that of the fifth 5-year development plan. To achieve this target, the role of the business circles must be further enhanced.

Honorable speaker! These are my brainchildren for implementing the 1993 broad outline of state policies in general and the sixth 5-year development plan in particular. Pursuant to the 1993 broad outline of state policies, I will pay serious attention to recommendations from the honorable House of Representatives. [applause]

When I took the oath of office as president before the General Session of the People's Consultative Assembly on 11 March, I appealed for support, correction, and supervision from the House of Representatives. [applause] Support will deepen my conviction to continue my measures. Correction will remind me to review my government policies. [applause] Supervision will prevent us from making unnecessary mistakes. These words are obviously applicable in the formulation of the sixth 5-year development plan by the government.

Honorable speaker, vice speakers, and members of the House of Representatives! My compatriots! We have passed one developmental step after another. Various obstacles and challenges have come one after another. We have succeeded in safely passing difficult times thanks to our determination, sacrifice, hard work, togetherness, and deep thoughts. This shows that our development programs are durable. Thus, we are

thankful to God for the fruits of development. However, it is not time for us to be satisfied with all these results. We have yet to fulfil many more tasks. We have yet to settle many more problems. We have yet to fulfil many more aspirations. Our great successes have motivated us to look for greater successes. We will strive for them during the next stage of development. With this determination, we are confident that we will be closer to achieving the goal of our independence—a just and prosperous Pancasila society.

May God Almighty the Most Compassionate and Merciful give physical and spiritual strength to all of us! Thanks and peace be upon you again!

111 Refugees Scheduled To Be Repatriated

BK1608151293 Jakarta ANTARA in English 1452 GMT 16 Aug 93

[Text] Merauke, Irian Jaya, Aug 16 (OANA/ANTARA) - As many as 111 Irian Jayan border crossers from the Merauke regency village of Sota are scheduled to be repatriated August 18 and 19 from their camps in Kiunga, a western province of Papua New Guinea (PNG).

The border crossers comprising 45 grown ups and 66 children, will be sent home using two Twin Otters piloted by Australian Captain Norm Latham and American Captain Vern Bell.

They will carry those border crossers in at least six flights using the aircraft, head of the local social and politics office Alex Sayono told reporters here Monday. Previous reports said that the Irian Jayan border crossers were forced to leave their homeland on January 1991 after a security disturbing group attacked the local police station at their village.

The PNG government has repatriated 126 border crossers recently.

Laos

U.S., Lao, SRV Delegations Meet in Hawaii

BK1808083693 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 16 Aug 93

[Text] According to a foreign report, last week delegations from Laos, Vietnam, and the United States held a meeting in Hawaii, the United States, to consult with one another on solutions to the question of Americans missing along the Lao-Vietnamese border and areas in the vicinity.

Attending the meeting on the U.S. side were a special assistant to President Bill Clinton, (?who is) a director for Asian affairs in the National Security Council, and a number of important officials from the State and Defense Departments, including many military officers from the U.S. military's Pacific Command. The Lao delegation (?was headed by) Souban Salitthilat, deputy

foreign affairs minister. The Vietnamese delegation was headed by Le Mai, deputy foreign affairs minister.

At the meeting, held in a constructive and cooperative atmosphere, the three sides expressed satisfaction with past achievements. In the future, they pledged to continue to make progress on the issue of missing Americans.

Meeting 'Constructive'

BK1808041993 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 17 Aug 93

[Text] His Excellency [H.E.] Souban Salitthilat, deputy minister of foreign affairs, from 9 to 11 August led a Lao Government delegation, which included a number of technicians from the Ministry of Foreign Affairs and the Ministry of National Defense, to attend a tripartite meeting at the deputy ministerial level among Laos, the United States, and Vietnam. The meeting dealt with cooperation among the three countries on the issues of prisoners of war and American servicemen missing in action during the Indochina war. The meeting was held in accordance with a proposal from the U.S. Government in Honolulu, Hawaii.

The delegation of the Socialist Republic of Vietnam Government was led by H.E. Le Mai, deputy foreign affairs minister. The U.S. side was led by H.E. Kent Weidemann, special assistant to President Bill Clinton and concurrently senior director general of the National Security Council in charge of Asian Region affairs attached to the White House; the head of the Office of the State Department; and the head of the Office of the Defense Department. The U.S. delegation also included a number of senior military officers and high-ranking officials.

In the first policy-making meeting, which lasted two days, the three countries reached agreements on several issues. The most important of these was the exploration and excavation operations of various cases of plane crashes in the areas along the Lao-Vietnamese border to be carried out in December this year. The operations will be carried out by a combined team of Lao-American technicians in Lao territory and a team of Vietnamese-American technicians in Vietnamese territory.

Furthermore, the three countries also agreed to increase their exchanges of information, data, and various documents. This includes information obtained from witnesses, evidence concerning the persons missing in action during the war, and to occasionally organize meetings and consultations among the technicians of the three sides. All of these actions are aimed at ensuring cooperation in order to succeed in resolving the aforementioned humanitarian issues. In addition, the U.S. side also promised that the United States will consider increasing appropriately its humanitarian assistance to the Lao People's Democratic Republic. The meeting was held in a fine, sincere, and constructive atmosphere.

SRV Assembly Delegation Arrives for Visit

BK1508130493 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 15 Aug 93

[Text] In response to an invitation by Saman Vi-gnaket, Political Bureau member of the Lao People's Revolutionary Party [LPRP] Central Committee and chairman of the National Assembly of the Lao People's Democratic Republic [LPDR], Nong Duc Manh, Political Bureau member of the Communist Party of Vietnam Central Committee and chairman of the SRV National Assembly, and a high-level 22-member delegation of the SRV National Assembly arrived in Vientiane at noon today for an official friendship visit. A ceremony to welcome Nong Duc Manh and his delegation was held in an honorable manner at the National Assembly hall. It was attended by Saman Vi-gnaket, chairman of the National Assembly, and Khambou Sounisai, vice chairman of the National Assembly, along with high-ranking cadres and staff of the SRV embassy to the LPDR.

During the visit, the SRV National Assembly delegation is scheduled to meet and hold discussions with Saman Vi-gnaket, chairman of our Lao National Assembly, and delegation; pay a courtesy call on Nouhak Phoumsavan, Political Bureau member of the LPRP Central Committee and president of the LPDR; visit families of a number of our party and state leaders; and also some production establishments in the provinces.

Philippines

Ramos Authorizes Passports for Communist Leaders

HK1808003993 Quezon City ABC-DWET Television in English 1300 GMT 17 Aug 93

[From the "ABC-DWET News Program"]

[Text] Three prominent leftist leaders today were granted passports by the government in the wake of earlier reports that Malacanang was trying to deny them travel documents. President Ramos authorized the foreign affairs department to issue passports to Satur Ocampo and his wife Carolina Bobby Malay. Also granted a passport was Ricardo Reyes, alleged deputy secretary general of the Communist Party of the Philippines-National Democratic Front.

National Security Adviser Jose Almonte had recommended last March the granting of passports to the three leftists as long as the courts agreed. Earlier, peace adviser Oscar Santos expressed irritation over media reports alleging that Malacanang was blocking the granting of passports to the Ocampo couple.

Ramos Approves Five Infrastructure Projects

HK1808033593 Manila THE MANILA CHRONICLE in English 18 Aug 93 p 9

[Report by Maricor Zapata]

[Text] Five development projects worth P18.4 billion [Philippine Pesos] were approved yesterday by President Ramos, the bulk of which goes to the development of the 200-megawatt (Mw) Leyte Cebu geothermal project of the National Power Corp., (Napocor).

The National Economic and Development Authority (Neda) approved the projects in a meeting at Malacanang.

The Leyte-Cebu project will eat up P12.9 billion of the total amount set aside for the five development projects.

Ramos also granted Napocor's waiver of the Regional Development Council (RDC) endorsement and environmental compliance certificate (ECC) for the project's transmission lines.

Cielito F. Habito, socioeconomic planning secretary and Neda director-general, said the board had allowed the waiver mainly because power transmission projects normally traverse several political boundaries, necessitating endorsements from all affected RDCs and local government units.

The remaining P5.5 billion worth of projects the Neda board approved yesterday consists of the Metro Cebu water supply, P3.4 billion; World Bank-assisted regional resource management for Region 9, P580 million; non-formal education, P945 million to be implemented from 1993 to 1998; and the Smar agricultural resources development program, P564 million.

Meantime, Habito said the Neda board also endorsed yesterday a number of amendments to the build-operate transfer (BOT) law or Republic Act No. 6957 as proposed by the Cabinet's infrastructure committee or Cluster D.

Habito said the proposed amendments were taken from a series of consultations with the government agencies concerned including the Coordination Council of the Philippine Assistance Program (CCPAP) and the Construction Industry Authority of the Philippines (Ciap); House and Senate Bill No. 835 filed by Sen. Gloria M. Arroyo.

Among the proposed major changes to the BOT law were:

- 1) an additional statement under the declaration of policy that incentives for private proponents shall not be limited to financial incentives, but shall include a climate of minimum government regulations and procedures.
- 2) the inclusion in the private sector infrastructure schemes of other contractual arrangements other than

the BOT and its variations like build-transfer-operate (BTO), build-own-operate (BOO) as indicated in the law's implementing rules and regulations;

3) to allow the project proponents a free hand in determining its rate of return and to recover their total investment costs during the lifetime of the concession period.

4) the consideration for approval of unsolicited project proposals that are not part of the medium-term infrastructure programs or priority programs of the agencies concerned and which do not involve financing requiring a government guarantee. The Cabinet infrastructure committee said the unsolicited project proposal may replace a project in the medium-term program if found better than the original one.

5) direct negotiations of contracts shall be resorted to when public bidding fails or for unsolicited proposals for local government projects approved by the local development councils and which do not require government funding and guarantees;

6) matters like tolls and fees shall be approved by the appropriate government regulatory body and not by the national government infrastructure agency or local government unit in cases of negotiated contracts and public-bid projects that would consist of monopoly for economic reasons and where the public could not have access to alternative facilities, and

7) the committee drafting the IRR would include the Department of Transportation and Communications (DOTC) and the Department of Energy (DOE).

Thailand

Two Soldiers Killed, 14 Injured in Muslim Ambush

BK1708090093 Hong Kong AFP in English 0803 GMT 17 Aug 93

[Text] Bangkok, Aug 17 (AFP)—Two Thai paratroopers were killed and 14 injured in an ambush by suspected Muslim separatists early Tuesday in Yala province, some 1,100 kilometers (700 miles) south of here, an army official said.

The incident happened when the troops were on their way to build a small dam in Maung district, the local army official said by phone from Yala.

Some 10 suspected Muslim separatists opened fire on their vehicles, killing two and wounding 14. The soldiers fired back, although no casualties were reported among the assailants, the official said.

The bloody clash happened less than a week after two Muslim youths hurled a grenade at a Buddhist temple in the neighbouring province of Narathiwat, injuring 11 monks, four of them seriously.

Thirty-five schools were torched on August 1 in three southern predominantly Muslim provinces of Pattani, Yala, Narathiwat and Songkhla, near the Malaysian border.

'Resurgence of Troubles' in South Viewed

BK1808013193 Bangkok THE NATION in English 18 Aug 93 p A6

[Editorial: "South's Hot Spots Heat Up Again as More Blood Flows"]

[Text] The situation in the South has become very messy, and it could become worse, as two soldiers on jungle patrol in Yala Province fell in a hail of bullets from an ambush staged by a group of rrorists yesterday. The two—a captain and a private—died as 11 other junior soldiers suffered injuries during the attack by assault rifles.

In the same operation, the terrorists managed to chalk up more scores by claiming more casualties among innocent villagers. Five onlookers were seriously wounded when a child stepped on a land mine planted by the retreating guerrillas.

The ambush on the troops occurred just two weeks after a series of arson attacks had reduced 34 schools to ashes, putting hundreds of children in physical hardships and bewilderment. Days later, a grenade was lobbed into a Buddhist temple, injuring nine monks. These two events were unprecedented even in the trouble-prone region.

What is all this? The resurgence of troubles in the South is obviously not imaginary after all, despite repeated verbal assurance from the government security apparatus. The latest ambush raised new doubts whether the decades-long armed struggle of southern separatist movements had died down as believed by the military.

The military wasted no time yesterday to launch a hot pursuit, using helicopter gunships and ground troops to surround the terrorists. The mission will be difficult as the terrorists were more familiar with the rugged jungle terrain. That was the only immediate choice the authorities had.

All the same. Things don't bode well for the government. The Chuan Cabinet has hardly had any break, much less a decent interval. The hotel tragedy in Nakhon Ratchasima had yet to be resolved when all attention suddenly had to shift back to the South, where more trouble is expected.

Leaflets were left by a group believed to be made up of rag-tag Muslim separatist guerrillas and commonly known in the region through its abbreviation, BRN. It uses mountainous terrain as a hideaway to prolong its cause and, from time to time, springs ambushes on troops as well as government personnel.

If the terrorist acts in the South originated from one group, the separatist movement, and are not just an

isolated incident, then the government authorities in the region have to brace for more sinister action. The ambush yesterday was enough to disprove an earlier claim by Fourth Army Region Commander Lt Gen [Lietenant General] Kitti Rattanachaya that the separatist movement was no more capable of armed struggle.

It will be a severe test for the government in general, and the Democrat Party in particular, because the party's MPs practically dominate the South, leaving just several seats for coalition partners.

The government has to adopt a policy response to assure southern people that the situation is under control. That policy however, has to be worked out jointly by the politicians and military authorities in the South and there should not be a vast difference in strategic rethinking. Bickerings amongst themselves will just lead to doubts about the efficiency of counterterrorist actions.

Both sides have to tackle the renewed crisis without a mind-set. If they want to read the minds of the terrorists, it is difficult not to imagine that the guerrillas will stage more hit-and-run operations to demonstrate further to local villagers that the movement is alive and well—but not as freedom fighters.

The Muslim separatist movement has been terrorising the four southernmost provinces for decades.

It is not realistic to expect that the government can weed out the elements in the next few days or weeks. But at the least, the government must show that it is capable of containing a possible spread of terrorism in the region.

Cabinet Approves Proposal on U.S. Trade Dispute

BK1808073493 Bangkok Radio Thailand Network in English 0000 GMT 18 Aug 93

[Text] The Cabinet has approved a proposal to solve the Thai-U.S. trade dispute on intellectual property under the 301 Section of the U.S. Trade Act. The proposal made by the Secretariat of the International Economic Policy Committee clarifies the power of the Pharmaceutical Patent Committee on the provision of information on drugs. In this connection, a ministerial regulation will be drafted in line with the negotiations made earlier with the U.S. side. The ministerial regulation will be considered by the Office of the Juridical Council before taking effect by 31 August, 1993.

The Cabinet instructed the Department of Intellectual Property to set guidelines on patent compulsory licensing. The guidelines are required to take effect within 31 August. It also instructed all agencies concerned to improve the draft copyright law in line with the consultations made by Thai officials and the World Intellectual Property Organization earlier this month.

'Powerful' Business Delegates To Join Chuan in PRC

BK1808010993 Bangkok THE NATION in English 18 Aug 93 p B1

[Text] A powerful delegation of 132 Thai business people will join Prime Minister Chuan Likphai on an official trip to China from Aug 25 to Sept 3. They will visit five cities and also meet Chinese Prime Minister Li Peng.

The private sector contingent is the biggest ever Thai delegation to go overseas with a government leader.

Comprising traders, bankers, industrialists, tourism operators and service providers, the delegation underscores Chuan's bold thrust to try to boost the presence of Thai businesses overseas.

Apart from official visits to Beijing, Shanghai, Shenzhen and Haipao, the prime minister will also pay a symbolic visit to Kunming, seen as part of his government's centrepiece plan to develop an economic zone encompassing southern China, Thailand, Laos and Burma.

Among the contingent will be Thanin Chiarawanon, president of the Charoen Phokkhaphan [CP] Group and the company which is the largest foreign investor group in China.

Thanin is also one of the few non-Hong Kong residents who is a member of the Chinese advisory group on the 1997 transfer of the territory from Britain to China.

In fact, the CP Group has been helping the Thai government coordinate the trip. Thanin will actually be in Beijing at the time and will await Chuan's arrival.

Another prominent businessman with strong connections in China, Suchai Wiramethekun, chairman of M Thai Group, will also join the delegation.

According to the schedule, the Thai and the Chinese premiers will sign an economic cooperation agreement—at the People's Hall on Aug 26—between the public and private sectors of the two countries.

In the evening, Li Peng will host a reception for the Thai delegation.

On Aug 27, the Chinese investment agency and the Thai Board of Investment will organize a seminar to explore investment cooperation opportunities between the two.

The Chuan Cabinet ministers will then meet with their Chinese counterparts.

On Aug 28, Chuan will visit the Shou Gang steel smelting plant in Beijing. The factory is the largest of its kind in China.

The next day, in Shanghai, both sides will hold a seminar on cooperation in banking, finance and trade. Chuan will also visit a ship-yard currently working on two vessels for the Royal Thai Navy.

In the afternoon, the delegation will visit the Putong economic zone and see the construction of an underground transit system.

On Aug 30, the prime minister will visit the CP-Chinese joint venture which produces motorcycles. And on Aug 31, the delegation will visit a Thai real estate joint venture—owned by the CP Group Shenzhen—before visiting an economic zone in Haikou.

On Sept 1, the Thai prime minister will visit an agricultural project in Hainan. On Sept 2, the two countries will co-host a seminar on tourism and energy cooperation. And the next day, Chuan will visit an hydroelectric dam in Yunnan before returning to Bangkok.

Informed sources say the prime minister is expected to announce a Cabinet reshuffle after returning from China and when the new Labour Ministry will be established.

It will take place before the opening of the Parliament debate on the 1994 budget (second session) on Sept 8.

A Government House source said that Chuan is also preparing to visit the United States, Japan and South Korea later this year. In the United States, he will address the United Nations and meet with President Bill Clinton.

Chuan was supposed to have gone to Japan earlier this year, but had to change his plans due to Japan's change of government.

Furthermore, Japan has a tradition to receive foreign leaders in timeslot which are seen as fair to all countries based on geography. But this year has seen many Asian leaders visiting Japan and Thailand's queue was delayed.

Vietnam

Deputy Prime Minister Nguyen Khanh Visits Hon Gai

BK1708052593 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 16 Aug 93

[Text] Comrade Nguyen Khanh, deputy prime minister, held a meeting with leading cadres of Hon Gai Town during his recent working visit to Quang Ninh Province.

Comrade Ha Van Hien, secretary of Hon Gai party committee, and Comrade Nguyen Xuan Chuong, chairman of Hon Gai people's committee, reported to the deputy prime minister on behalf of the town's party organization and administration. They discussed party organization tasks and the socioeconomic situation of the town.

Comrade Nguyen Khanh took note and praised the Hon Gai party organization and people for their positive progress, especially in socioeconomic development. The comrade also suggested to the authorities of the town, as well as of the province, that they also need to focus their attention on managing social development so as to build

up an orderly and civilized lifestyle, one worthy of a tourist town which receives both domestic and foreign tourists.

Political Bureau's Le Phuoc Tho Visits Ninh Thuan

BK1708052193 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 16 Aug 93

[Text] Comrade Le Phuoc Tho, member of the party Central Committee Political Bureau and director of the party Central Committee Organization Department, together with a group of officials of the party Central Committee Organization Department, recently paid a working visit to Ninh Thuan Province.

After listening to reports by the leading comrades of Ninh Thuan Province on the cultural and socioeconomic situation of the province since its secession more than a year ago from Thuan Hai Province, Comrade Le Phuoc Tho praised the party organization, the administration, and the people of Ninh Thuan for their efforts in building their prosperous and beautiful new province. During the past year, the administration and people of Ninh Thuan have strived to overcome all difficulties and scored encouraging achievements in maintaining internal stability, improved the cadres and personnel system, and successfully implemented the party Central Committee resolution on party renovation and rectification at all local levels.

On the same day, Comrade Le Phuoc Tho visited Ninh Phuoc District, a locality specializing in growing grapes. He called on some grape-growing families and inquired about their business. The comrade also visited Mr. Nguyen Van Muoi Hai, a farmer who started with his bare hands and who now owns a herd of more than 1,600 cows and goats thanks to his ability to use his savings in developing livestock rearing. The comrade wished that the case would serve as a model for those who want to amass wealth for themselves and for the country.

KR Kidnaps, Kills Vietnamese Residents in Cambodia

BK1708093493 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 16 Aug 93

[Text] A UN official today disclosed that the Khmer Rouge [KR] had kidnapped a group of 11 Vietnamese residents in Cambodia to ask for ransom. The kidnapping took place in Kompong Chhnang Province. The kidnapped Vietnamese residents, most of them children, were taken away by gunmen. At least two of the victims were shot to death by the Khmer Rouge.

Last week, six Vietnamese residents were also killed in this area by the Khmer Rouge.

General Political Department Holds Conference

BK1708103793 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 16 Aug 93

[Text] A conference was held recently by the General Political Department to draw on experience in youth union organization and youth movement activities among units in the all-army bloc of defense industrial and economic establishments.

The conference was chaired by Senior Lieutenant General Nguyen Nam Khanh, member of the Party Central Committee and deputy director of the General Political Department. Also attending were the comrade leaders and commanders and those comrades in charge of youth union work from all general departments, military regions, and branches of the armed forces.

Since the sixth national youth union congress, although favorable conditions have been created for youth union work and the youth movement among all defense industrial and economic units in the army, there have also been fierce challenges. Apart from providing guidance, youth union cadres in these units must study ways to tackle pressing issues concerning theory and practice, along with form and substance.

To ensure that youth union activities are carried out in such a way as to keep up with the pace of renovation of these units and be in line with the psychological characteristics and aspirations of youths, while building up youth union organizations at defense factories and enterprises, efforts must be concentrated on consolidating and streamlining union chapters and subchapters in various workshops and production teams or units. This, however, should be done in a way that meets the needs arising from their tasks and is convenient to their daily activities.

All youth union organizations should boldly change their operational system in a practical, democratic, and healthy way. As far as cadre-related work is concerned, first it is necessary for youth union organizations to select people responsible for youth union work from among young cadres, workers, civil servants, and technicians with firm political aptitude and scientific, technical, and professional knowledge, who have engaged in various practical activities and are trusted by the masses.

Meanwhile, it is necessary for all party committee echelons to formulate plans for training and fostering youth union cadres and work toward standardizing youth union cadres in the all-army bloc of defense industrial and economic establishments.

Gap Between Rich, Poor Widens in Countryside

BK1708042793 Hong Kong AFP in English 0250 GMT 17 Aug 93

[By Philippe Agret]

[Text] Hanoi, Aug 17 (AFP) - Vietnamese leaders, determined to decollectivise agriculture, are confronted with a disturbing and growing gap between the rich and poor in the countryside as it converts to a market economy.

A recent official poll, taken in 17 villages in five provinces, confirmed the gap is getting bigger.

More than half of the 7,000 "rural households" surveyed by the General Directorate of Statistics are on the poverty line while 10.34 percent were judged comfortable and eight percent "nouveau riche."

The poll also revealed alarming regional disparities. Agricultural revenue per inhabitant in the Mekong Delta, Vietnam's granary, was 20 to 30 times higher than in the tablelands of the country's central region—and also quadruple that of peasants in the Red River Delta, where population pressures are heaviest.

The government also fears a split between the cities and the countryside where 78 percent of the population live.

The agricultural reforms, since 1988 coupled with the policy of economic reform or "Doi Moi," have had undisputed success.

Farmers' incomes have risen progressively even though they are still among the lowest in Asia. Vietnam produces 24 millions tonnes of food crops a year, 20 million tonnes of it rice.

The country, a net importer of the grain only a few years ago, is now the world's third largest rice exporter, behind only the United States and Thailand.

The area under cultivation has grown, and above all crops have been diversified to avoid the danger of total reliance on rice, particularly in the market vegetable "green belts" around Hanoi and Ho Chi Minh city where garlic, and pepper are grown, along with other market gardening and the raising of livestock.

The government has also begun to worry about environmental protection, according to a western agricultural expert in Hanoi.

In the poorer central and northern regions, peopled by minorities and wracked by shortages, it has decided to increase the area devoted to fruit trees to anchor the soil in an attempt to avert an ecological disaster—the blowing away of earth left dry and powdery by traditional slash and burn methods of land clearance.

At the same time, unreformed sectors of Vietnamese agriculture, which still depends on raw produce exports with very little value added, remain weak.

The countryside also suffers from chronic underemployment—in theory there are no agricultural workers in Vietnam—and from the general lack of a locally based food processing industry.

Finally, credit and savings are rare amid falling prices—they dropped 22 percent in 1992.

To encourage investment, the authorities have promulgated an 89-article law effective October 15, which, without going as far as recognising private property, for the first time authorises the country's 57 million peasants to transfer, exchange, lease and inherit the right of land tenure.

They have also decided to cut land taxes by half to encourage intensive agriculture.

In an important speech before the last central committee plenum in June 1992, ruling Communist Party Secretary

General Do Muoi said "market logic must be carried to the countryside," rare words for a Marxist, albeit a reformist.

The policy switch signals the end of the old authoritarian system of cooperatives, which since 1975 had been in charge of managing land and collecting taxes. The system is to be replaced by farmers associations which are to be defined by the government.

Faithful to its line, paralleling economic liberalisation, the regime has given the party a political role of boosting its campaigns to defend "social justice" and fighting "corruption, illiteracy and animism."

Australia

Croatia Establishes Consul General in Melbourne

*BK1208103893 Melbourne Radio Australia in English
0500 GMT 12 Aug 93*

[Text] Croatia has established a consul general in Melbourne. The consular general will look after the interests of Croatians in Victoria, South Australia, and Tasmania.

Treasurer Announces Record Budget Deficit

*BK1708095293 Hong Kong AFP in English 0944 GMT
17 Aug 93*

[Text] Canberra, Aug 17 (AFP)—Australian Treasurer John Dawkins on Tuesday announced a budget deficit of 16.01 billion dollars (10.88 billion U.S.) for the year to June 30, 1994, saying his aim was to strengthen the recovery and create jobs.

The deficit corresponds to 3.8 percent of forecast gross domestic product [GDP], but Dawkins said the budget was part of a strategy to reduce the deficit to 6 billion dollars, or 1.0 percent of GDP, within four years.

"This is a budget to strengthen the recovery and make it sustainable," Dawkins told parliament here, adding that the economy is expected to grow by 2.75 percent this year, compared with 2.5 percent last year.

The budget "establishes an economic framework over four years," Dawkins said.

Historically low inflation and interest rates, coupled with reduced company tax, would help "support increased business investment for future growth in production and employment."

The budget reduces income tax for middle-income earners, increases sales taxes and raises welfare spending. It "will provide an extra stimulus of around 2 billion dollars to Australia's economy at a time when a stimulus is needed to sustain the recovery," Dawkins said.

The deficit is the largest in dollar terms in Australia's history—up from 14.57 billion last year—and the third largest as a proportion of GDP.

The budget shows an increase of 5.66 billion dollars in outlays on last year, to 115.09 billion, and a rise of 4.22 billion dollars in revenue, to 99.08 billion.

The biggest increases in spending are on health (up 9.0 percent to 16.17 billion dollars) and social security (up 8.3 percent to 41.63 billion dollars).

Total income tax receipts are to rise by 1.21 billion dollars to 48.53 billion, while revenue from sales taxes, customs and excise is put at 24.29 billion dollars, an increase of 2.03 billion dollars on actual receipts in 1992-93.

There will be an immediate rise of three cents a litre on all kinds of petrol, taking the price of unleaded to about 73 cents a litre, and an extra five cents a litre on leaded petrol within 18 months.

"This recognises the harmful effect of lead in petrol, particularly on children," Dawkins said.

Company taxes will fall by 231 million dollars to 12.84 billion.

Another 13.42 billion dollars will be raised in other taxes and non-tax revenue.

"This budget sets us on a prudent path, leading to lower government deficits and higher national saving," Dawkins said.

The budget statement included forecasts of economic growth of 3.75 percent next year and of 4.0 percent in the two ensuing years.

Minister: Unemployment Level 'Unacceptably High'

*BK1208100293 Melbourne Radio Australia in English
0500 GMT 12 Aug 93*

[Text] Australia's unemployment rate has recorded a modest fall. Seasonally adjusted figures for July show unemployment fall 0.4 of a percent to 10.7 percent. The Bureau of Statistics says this means 924,000 people were looking for work last month, down 42,100 on the June figure. However, another important indicator, the participation rate or the number of unemployed people actively looking for work, eased 0.4 percent in July. The number of people with job in Australia was virtually unchanged. Although describing July figures as an improvement, Employment Minister Kim Beazley says unemployment level remained unacceptably high.

Solomon Islands

Bougainville Office To Be Closed in Peace Move

*BK1108075093 Melbourne Radio Australia in English
0500 GMT 11 Aug 93*

[Text] Solomon Islands has moved to ease border tensions with Papua New Guinea [PNG] over the Bougainville conflict. Erina Reddan reports that after talks with PNG at the South Pacific Forum in Nauru, Solomon Islands said it would close down the Bougainville humanitarian office in its capital, Honiara.

[Begin Reddan recording] Solomon Islands' Prime Minister Francis Billy Hilly said he had presented PNG with a six-point plan to put relations back on the move again. He said non-government organizations could replace the self-styled Bougainville interim government's office in Honiara with a peace office. Mr Hilly added that the office's representative, Martin (Miriori), would not be sent back to Bougainville if he was on a PNG blacklist. The six-point plan also include measures to stop Solomon Islands' profiteers from running PNG's blockade of Bougainville. [end recording]

